

CGN
RESOURCES

CGN Resources Limited

ACN 122 958 810

Prospectus

For an initial public offering of up to 50,000,000 Shares at an issue price of \$0.20 per Share to raise up to \$10,000,000 (before costs)

This Prospectus has been issued to provide information on the public offer of a minimum of 40,000,000 Shares at an issue price of \$0.20 per Share to raise a minimum of \$8 million (before costs) and a maximum of 50,000,000 Shares at an issue price of \$0.20 per Share to raise up to \$10 million (before costs) (**Offer**).

The Offer is subject to a number of conditions precedent as outlined in Section 2.4.

It is proposed that the Offer will close at 5:00pm (AWST) on 15 September 2023. The Company reserves the right to close the Offer earlier or to extend this date without notice. Applications must be received before that time.

This is an important document and requires your immediate attention. It should be read in its entirety. Please consult your professional adviser(s) if you have any questions about this Prospectus.

Investment in the Shares offered pursuant to this Prospectus should be regarded as **highly speculative** in nature, and investors should be aware that they may lose some or all of their investment. Refer to Section 4 for a summary of the key risks associated with an investment in the Shares.



ORACLE
CAPITAL

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Important information

The Offer

This Prospectus is issued by CGN Resources Limited (ACN 122 958 810) (**Company**) for the purpose of Chapter 6D of the Corporations Act. The Offer contained in this Prospectus is an initial public offering to acquire Shares.

Prospectus

This Prospectus is dated, and was lodged with ASIC on, 22 August 2023 (**Prospectus Date**). Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Application will be made to ASX within seven days of the Prospectus Date for Official Quotation of the Shares the subject of the Offer.

Expiry date

This Prospectus expires at 5.00pm (AWST) on the date which is 13 months after the Prospectus Date (**Expiry Date**). No Shares will be issued on the basis of this Prospectus after the Expiry Date.

Note to Applicants

The information contained in this Prospectus is not investment or financial product advice and has been prepared as general information only, without consideration for your investment objectives, financial situation or particular needs.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Except as required by law, and only to the extent required, no person named in this Prospectus, nor any other person, warrants or guarantees the performance of the Company, the repayment of capital by the Company or any return on investment in Shares made pursuant to this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer, other than as is contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company, the Directors, the Joint Lead Managers or any other person in connection with the Offer.

Oracle Capital Group Pty Ltd (ACN 622 310 276) (AFSL 521887) and 708 Capital Pty Ltd (ABN 17 142

319 202) (AFSL 386279) (**Joint Lead Managers**) have acted as joint lead managers to the Offer. To the maximum extent permitted by law, the Joint Lead Managers and their affiliates, officers, employees and advisers expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to their name and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

The Company, the Share Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statement.

Exposure Period

The Corporations Act prohibits the Company from processing Applications in the seven day period after the Prospectus Date (**Exposure Period**). The Exposure Period may be extended by ASIC by up to a further seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus. In such circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications under this Prospectus will not be processed by the Company until after the Exposure Period. No preference will be conferred upon Applications received during the Exposure Period.

No cooling-off rights

Cooling-off rights do not apply to an investment in Shares issued under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

Conditional Offer

The Offer contained in this Prospectus is conditional on certain events occurring. If these events do not occur, the Offer will not proceed and Applicants will be refunded their Application Monies (without interest). Please refer to Section 2.4 for further details on the conditions attaching to the Offer.

Electronic Prospectus and Application Forms

During the Exposure Period, an electronic version of this Prospectus (without an Application Form) will be available at www.cgnresources.com.au, only to persons in Australia and certain investors in New

Zealand. Application Forms will not be made available until after the Exposure Period has expired.

The Offer constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and relevant Application Form within Australia.

The Prospectus is not available to persons in other jurisdictions in which it may not be lawful to make such an invitation or offer to apply for Shares. If you access the electronic version of this Prospectus, you should ensure that you download and read the Prospectus in its entirety.

Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the relevant Application Form (free of charge) from the Company's registered office during the offer period by contacting the Company as detailed in the Corporate Directory. Applications will only be accepted on the relevant Application Form attached to, or accompanying, this Prospectus. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is attached to a paper copy of the Prospectus or the complete and unaltered electronic version of this Prospectus.

Prospective investors wishing to subscribe for Shares under the Offer should complete the relevant Application Form. If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

Notice to foreign investors

No action has been taken to register or qualify the Shares the subject of this Prospectus or the Offer, or otherwise to permit the offering of the Shares, in any jurisdiction outside Australia.

Subject to the provisions outlined in Sections 2.16 and 2.17, certain residents in New Zealand are eligible to participate in the Offer.

The distribution of this Prospectus in jurisdictions outside of Australia (including electronically) may be restricted by law and persons who come into possession of this Prospectus outside of Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**).

The Securities are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

1. is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
2. meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
3. is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
4. is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
5. is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Speculative Investment

The Shares offered pursuant to this Prospectus should be considered **highly speculative**. There is no guarantee that the Shares offered pursuant to this Prospectus will make a return on the capital invested, that dividends will be paid on the Shares or that there will be an increase in the value of the Shares in the future.

Prospective investors should carefully consider whether the Shares offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 4 for details relating to the key risks applicable to an investment in the Shares.

Competent Persons Statement

The information in this Prospectus that relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Mr Richard Hall who is a fellow of the Australian Institute of Geoscientists and a member the Australasian Institute of Mining and Metallurgy. Mr Hall is the Principal of Midas Touch Geological Services. Mr Hall has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hall consents to

the inclusion of the Exploration Results in the form and context in which they appear in this Prospectus.

Mr Hall does not hold any Securities in the Company.

Using this Prospectus

Persons wishing to subscribe for Shares offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company and the rights and liabilities attaching to the Shares offered pursuant to this Prospectus. If persons considering subscribing for Shares offered pursuant to this Prospectus have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser for advice.

Statements of past performance

This Prospectus includes information regarding the past performance of the Company. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

Third party statements

This Prospectus includes attributed statements from books, journals and comparable publications that are not specific to, and have no connection with the Company. The authors of these books, journals and comparable publications have not provided their consent for these statements to be included in this Prospectus, and the Company is relying upon *ASIC Corporations (Consents to Statements) Instrument 2016/72* for the inclusion of these statements in this Prospectus without such consent having been obtained.

Forward-Looking Statements

This Prospectus contains forward-looking statements which are identified by words such as 'believes', 'estimates', 'expects', 'targets', 'intends', 'may', 'will', 'would', 'could', or 'should' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the Prospectus Date, are expected to take place.

The Company does not undertake to, and do not intend to, update or revise any forward-looking statements, or publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

Any forward-looking statements are subject to various risks that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. Forward looking statements should be read in conjunction with, and are qualified by reference to, the risk factors as set out in Section 4. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company, the Directors, the Company's management and the Joint Lead Managers cannot and do not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date.

Disclaimer

Except as required by law, and only to the extent so required, none of the Company, the Directors, the Company's management, the Joint Lead Managers or any other person warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

Company website

Any references to documents included on the Company's website at www.cgnresources.com.au are for convenience only, and none of the documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Miscellaneous

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. Conversions may not reconcile due to rounding. All references to '\$' or '\$' are references to Australian dollars and all references to 'US\$' are references to US dollars.

All references to time in this Prospectus are references to AWST, being the time in Perth, Western Australia, unless otherwise stated.

Defined terms and abbreviations used in this Prospectus are detailed in the definitions in Section 10.

Corporate Directory

Directors and Company Secretary

Darryl Harris	Non-Executive Chair
Daniel (Stan) Wholley	Managing Director and Chief Executive Officer
Grant Mooney	Non-Executive Director and Company Secretary

Proposed Stock Exchange Listing

Australian Securities Exchange Ltd (ASX)
Proposed ASX Code: CGR

Registered and Principal Office

Suite 4, 6 Richardson Street
West Perth WA 6005
Phone: +61 8 9226 0085
Email: info@cgnresources.com
Website: www.cgnresources.com.au

Share Registry¹

XCend Pty Ltd
Level 1, 139 Macquarie Street
Sydney NSW 2000

Australian Legal Advisors

Hamilton Locke Pty Ltd
Level 48, 152-158 St George Terrace
Perth WA 6000

Independent Geologist

Midas Touch Geological Services
18-10 Fairhaven Terrace
Hillarys WA 6025

Investigating Accountant

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000

Auditor¹

SW Audit
Level 18, 197 St Georges Terrace
Perth WA 6000

Joint Lead Managers

Oracle Capital Group Pty Ltd
Suite 4, 6 Richardson Street
West Perth WA 6005

708 Capital Pty Ltd
1.05 – 2-8 Elizabeth Street
Paddington NSW 2021

¹ These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

Letter from the Chair

Dear Investor,

On behalf of the Directors, I look forward to welcoming you as a shareholder of CGN Resources Limited (**CGN Resources** or the **Company**).

Our Company is focussed on delivering value to our shareholders by completing disciplined exploration programs to deliver a major discovery. CGN Resources holds an 86% interest in six granted exploration licenses and two pending applications for exploration licences which comprise the Webb Project (**Webb Project**).

The Webb Project is a substantial 948 km² package of tenements in the prospective West Arunta Region of Western Australia. Increased exploration activity and highly encouraging results from our near neighbours WA1 Resources Ltd (ASX: WA1), Rio Tinto Group (ASX: RIO), IGO Ltd (ASX: IGO) and Encounter Resources Ltd (ASX: ENR) have highlighted the prospectivity of the region.

Key highlights for the Webb Project include:

- (a) a large contiguous land package covering the highly prospective West Arunta region for copper, nickel and rare earth elements in Western Australia;
- (b) highly anomalous copper (up to 0.23% Cu), nickel (up to 1.15% Ni) and rare earth elements (up to 0.71% TREO) values intersected in previous diamond-focussed exploration drilling;
- (c) multiple drill-ready iron oxide copper gold (**IOCG**) targets based on geological and geophysical surveys;
- (d) substantial range of targets including IOCG, magmatic nickel, carbonatite and diamonds;
- (e) highly experienced Board and management in mineral exploration; and
- (f) the recent discovery of major metalliferous carbonatites by WA1 Resources and Encounter Resources demonstrates the potential of this region to host mineralised systems.

Details are provided throughout this Prospectus highlighting what we believe to be an exceptional asset, with high prospectivity, multiple target types and our plans to deliver value for our shareholders. Over the next two years our primary focus is to target the copper potential of an IOCG and also opportunistically targeting magmatic nickel sulphides, REE and diamondiferous kimberlites within the tenements comprising the Webb Project.

To realise the value of the Webb Project we plan to undertake exploration targeting primarily copper (and secondarily nickel, REE and diamonds). Our Falcon gravity survey flown in late 2022 has highlighted multiple high quality IOCG targets which are drill ready. Post Admission to the ASX we plan to undertake a 1,200m diamond core drill program to test two of these targets, in advance of expanded and more detailed exploration activities in 2024.

The CGN management team intends to deploy its capital wisely to deliver an optimum outcome for our shareholders. We plan to use cutting edge tools and excellence in geology to deliver value, and the high quality of our asset gives us great confidence that we have the potential to make a discovery of note over the coming years.

By way of this Prospectus, CGN Resources is offering up to 50,000,000 Shares at an issue price of \$0.20 each to raise up to \$10,000,000 (before costs) (with a minimum raising of \$8,000,000). The key purpose of the Offer is to provide additional funds to advance exploration at the Webb Project following the successful listing of the Company on the ASX.

On behalf of the Board, I look forward to welcoming you as a shareholder of CGN Resources should you wish to take up Shares under the Offer. This Prospectus contains detailed information about the Offer and the current and proposed operations of the Company, as well as the risks pertaining to an investment in the Company. Potential investors in the Company should carefully consider those risks (detailed in Section 4).

Before deciding on whether to invest in the Company, you should read this Prospectus carefully and consult with your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

We look forward to welcoming you as a shareholder should you decide to take up Shares pursuant to the Offer.

Yours faithfully



Darryl Harris
Non-Executive Chair

Key details of the Offer

Key details of the Offer ¹	Shares		Options ²
	Minimum Subscription	Maximum Subscription	
Existing Securities	60,173,191	60,173,191	24,166,666
Shares to be issued under the Offer	40,000,000	50,000,000	-
Options to be issued to the Joint Lead Managers ³	-	-	4,000,000
Total Securities on completion of the Offer⁴	100,173,191	110,173,191	28,166,666
Implied Market Capitalisation on completion of the Offer^{5,6}	\$20.0 million	\$22.0 million	-

Notes:

1. Please refer to Section 2.6 for further details relating to the current and proposed capital structure of the Company.
2. See Sections 8.2, 8.3 and 8.4 for the terms and conditions of the Class 1 Options, Class 2 Options and Director Options, respectively.
3. See Section 7.3 for further details of the fees payable to the Joint Lead Managers.
4. Assumes that no further Shares are issued and none of the above Options are exercised.
5. The indicative market capitalisation is calculated based on the Offer Price multiplied by the number of Shares on issue post completion of the Offer and does not take into account Options on issue post completion of the Offer. There is no guarantee that the Shares will trade at the Offer Price upon Admission.
6. The Company anticipates that on Admission approximately 32,796,184 Shares will be classified as restricted securities by ASX, which based on the Minimum Subscription, comprises approximately 32.74% of the issued share capital on an undiluted basis. See Section 2.18 for further details of the anticipated application of ASX escrow.

Indicative Timetable

Event	Date
Lodgement of Prospectus with ASIC	22 August 2023
Opening Date for the Offer	30 August 2023
Closing Date for the Offer	15 September 2023
Issue Date	2 October 2023
Expected dispatch of holding statements	3 October 2023
Expected date for Official Quotation on ASX	12 October 2023

Note: The dates shown in the table above are indicative only and may vary subject to the Corporations Act, the Listing Rules and other applicable laws. The Company, in consultation with the Joint Lead Managers, reserves the right to vary the dates and times of the Offer (including, to vary the Opening Date and Closing Date, to accept late Applications, either generally or in particular cases, or to cancel or withdraw the Offer before Completion) in each case without notifying any recipient of this Prospectus or any Applicants, which may have a consequential effect on other dates. If the Offer is cancelled or withdrawn before the allotment of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Applicants are therefore encouraged to lodge their Application Form and deposit the Application Monies as soon as possible after the Opening Date if they wish to invest in the Company. The admission of the Company to the Official List of the ASX and the commencement of quotation of the Shares are subject to confirmation from the ASX.

1. Investment overview

This Section is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Shares offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Shares.

Topic	Summary	More information
Introduction		
Who is the Company and what does it do?	CGN Resources Limited (ACN 122 958 810) (Company or CGN Resources). The Company is an Australian unlisted public company incorporated on 9 February 2007 for the purpose of acquiring, exploring and developing the Webb Project in the West Arunta Region of Western Australia (Project).	Section 3
What is the Company's sources of revenue?	Investors are cautioned that the Company is not currently generating any revenue and is unlikely to do so in the near term. Successful exploration and development of the Webb Project will require further funding in addition to the Company completing the activities set out in Section 2.5.	Section 2.5
What is the Company's interest in the Project?	The Company holds an 86% beneficial interest in the Webb Project.	Section 7.1
Why is the Offer being conducted?	The primary purposes of this Prospectus is to: <ul style="list-style-type: none"> (a) raise up to \$10,000,000 (before costs) under the Offer; (b) provide funding for the purposes outlined in the proposed use of funds in Section 2.5; (c) position the Company to seek to achieve the objectives detailed in Section 3; (d) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for Admission; (e) provide the Company with access to capital markets to improve financial flexibility; and (f) provide the Company with the benefits of an increased profile that arises from being a listed entity. 	Sections 2.2, 2.5, 3.4 and 3.5.

Topic	Summary	More information																											
<p>What is the proposed capital structure of the Company at Admission?</p>	<p>The proposed capital structure of the Company on Admission is set out below:</p> <table border="1" data-bbox="480 392 1149 1075"> <thead> <tr> <th data-bbox="480 392 730 488">Capital Structure</th> <th data-bbox="730 392 938 488">Minimum Subscription</th> <th data-bbox="938 392 1149 488">Maximum Subscription</th> </tr> </thead> <tbody> <tr> <td colspan="3" data-bbox="480 488 1149 544">Shares</td> </tr> <tr> <td data-bbox="480 544 730 611">Existing Shares</td> <td data-bbox="730 544 938 611">60,173,191</td> <td data-bbox="938 544 1149 611">60,173,191</td> </tr> <tr> <td data-bbox="480 611 730 707">Shares to be issued under the Offer</td> <td data-bbox="730 611 938 707">40,000,000</td> <td data-bbox="938 611 1149 707">50,000,000</td> </tr> <tr> <td data-bbox="480 707 730 763">Total Shares</td> <td data-bbox="730 707 938 763">100,173,191</td> <td data-bbox="938 707 1149 763">110,173,191</td> </tr> <tr> <td colspan="3" data-bbox="480 763 1149 831">Options</td> </tr> <tr> <td data-bbox="480 831 730 887">Existing Options</td> <td data-bbox="730 831 938 887">24,166,666</td> <td data-bbox="938 831 1149 887">24,166,666</td> </tr> <tr> <td data-bbox="480 887 730 1010">Options to be issued to the Joint Lead Managers</td> <td data-bbox="730 887 938 1010">4,000,000</td> <td data-bbox="938 887 1149 1010">4,000,000</td> </tr> <tr> <td data-bbox="480 1010 730 1075">Total Options</td> <td data-bbox="730 1010 938 1075">28,166,666</td> <td data-bbox="938 1010 1149 1075">28,166,666</td> </tr> </tbody> </table>	Capital Structure	Minimum Subscription	Maximum Subscription	Shares			Existing Shares	60,173,191	60,173,191	Shares to be issued under the Offer	40,000,000	50,000,000	Total Shares	100,173,191	110,173,191	Options			Existing Options	24,166,666	24,166,666	Options to be issued to the Joint Lead Managers	4,000,000	4,000,000	Total Options	28,166,666	28,166,666	Section 2.6
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Total Options	28,166,666	28,166,666																											
<p>What is the proposed use of funds raised under the Offer?</p>	<p>The Company intends to apply funds raised under the Offer, together with existing cash reserves post Admission, to advance the Company's main objectives and strategy upon Admission (as set out in the proposed use of funds in Section 2.5). The Board is satisfied that following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives as detailed in this Prospectus.</p>	Section 2.5																											
Project Overview																													
<p>What is the geological setting underlying the Project?</p>	<p>The Project is located within the West Arunta Region which includes the Aileron Province in the north, and the Warumpi Province in the south. The Aileron Province is dominated by 1860–1700 Ma igneous and metamorphic rocks whereas the Warumpi Province is dominated by younger ca. 1690–1600 Ma igneous and metamorphic rocks.</p> <p>The Webb Project is uniquely placed within favourable geological (i.e. 1640± 7 Ma Mount Webb granite and 1677 ± 6 Ma felsic volcanics of the Pollock Hills Formation) as well as district-scale tectonic/structural geometries of the West Arunta Orogen, which have facilitated the formation, deposition and preservation of both kimberlite intrusions, carbonatites and potential large-scale IOCG mineralisation in the region.</p>	Section 3 and Annexure B (Independent Geologist's Report)																											

Topic	Summary	More information
What is the Company's exploration model?	<p>The Company employs a mineral system approach to exploration and targeting large magmatic metalliferous deposits. This methodology involves understanding the geology, structure and metallogenesis of a region for particular deposit types (e.g. IOCG, magmatic nickel). The core idea is to locate regions where there is source for metalliferous hydrothermal fluids such as magmatic intrusives, a pathway for them to move towards surface such as deep-seated major structures and a site for them to be deposited. The Company has recognised all three of these attributes within its tenure and will undertake iterative, campaign based exploration and evaluation programs over its six priority targets.</p>	Annexure B (Independent Geologist's Report)
What is the exploration history of the Project area?	<p>The Webb Project was originally conceived as a diamond exploration play commenced by the Company. The Company entered into a joint venture with Meteoric Resources NL (ASX: MEI) in 2012, prior to which there had not been any meaningful exploration.</p> <p>The Company progressed negotiations with traditional owner groups resulting in signing a land access agreement with the Tjamu Tjamu people in 2019.</p> <p>High quality exploration programs were undertaken from 2013 through to 2019 which targeted a diamond discovery in kimberlite pipes, resulting in the discovery of what is considered to be Australia's largest kimberlite field. Exploration undertaken in this period includes:</p> <ul style="list-style-type: none"> • one air core and two reverse circulation drilling programs accounting for 83 drillholes, of which 60 successfully intersected kimberlite; • surface loam sampling; • a detailed 100m line spaced aeromagnetic survey over the entire tenements package; • smaller scale ground gravity surveys were deployed over specific kimberlite targets; and • a Loza survey was completed over a single kimberlite pipe to assist with modelling. <p>Exploration activities in 2019 to 2021 were strongly affected by Covid-19 and limited work was undertaken on the ground.</p> <p>CGN Resources has pivoted its exploration focus to target large magmatic mineral systems.</p> <p>In 2022, the Company:</p> <ul style="list-style-type: none"> • flew a large airborne Falcon gravity gradiometry survey over approximately half of the tenure at 200m line spacing; 	Section 3 and Annexure B (Independent Geologist's Report)

Topic	Summary	More information
	<ul style="list-style-type: none"> • undertook a large data compilation and integration program of all geology, geochemical data and geophysics; and • completed a detailed geophysical modelling program integrated with the other data sets. <p>This work resulted in defining six new high quality targets:</p> <ul style="list-style-type: none"> • IOCG targets: Tantor, Surus, Snorky and Horton; • Nickel target: Shep; and • Rare Earths target: Hathi. 	
Financial information		
What is the Company's financial position?	Investors should be aware that the Company is currently making a loss. A summary of the financial history of the Company is set out in the financial information section and Independent Limited Assurance Report in Section 5 and Annexure A respectively.	Section 5.1, Annexure A (Independent Limited Assurance Report)
What is the Company's strategy / business objectives?	<p>The Company's main objective is to provide a return to Shareholders through the successful exploration, discovery and development of high value base and precious metal resources.</p> <p>In seeking to achieve its objective, the Company's business model will be to:</p> <ol style="list-style-type: none"> (a) analyse and interrogate previous exploration data to refine the current identified targets and to generate additional high priority targets within the current tenement package for future exploration; (b) undertake drilling and geophysical work programs on priority targets within the current tenement package with the aim of identifying and delineating mineral systems and establishing resources; and (c) if successful in delineating mineral resources, the Company plans to evaluate the economic potential for development of the Webb Project. <p>Although the Company's immediate focus will be on the Webb Project, as with most exploration entities, it will pursue and assess other new business opportunities in the resource sector over time which complement its business. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation. The Board will assess the suitability of investment opportunities by utilising its experience in evaluating projects. There are uncertainties in the process of identifying and acquiring new and suitable projects. The Company confirms that it is not currently</p>	Section 3.4

Topic	Summary	More information
	<p>considering other acquisitions and that future acquisitions are likely to be in the mineral resource sector. A detailed breakdown of the Company's proposed exploration program during the 2 years post-listing is set out in Section 2.5.</p>	
<p>What is the Company's dividend policy?</p>	<p>The Company does not expect to pay dividends in the near future as its focus will primarily be on growing the existing businesses.</p> <p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.</p>	<p>Section 3.6</p>
<p>Summary of key risks</p>		
<p>Prospective investors should be aware that subscribing for Shares in the Company involves a number of risks. The risk factors set out in Section 4, and other general risks applicable to all investments in listed securities, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. This Section summarises the key risks which apply to an investment in the Company and investors should refer to Section 4 for a more detailed summary of the risks.</p>		
<p>Conditionality of the Offer</p>	<p>The obligation of the Company to issue the Shares under the Offer is conditional on ASX granting approval for Admission to the Official List. If this condition is not satisfied, the Company will not proceed with the Offer. Failure to complete the Offer may have a material adverse effect on the Company's financial position.</p>	<p>Section 4.1(b)</p>
<p>Future capital requirements</p>	<p>The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Webb Project is successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash and the net proceeds of the Offer should be adequate to fund its business development activities, exploration program and other Company objectives in the short term as stated in this Prospectus.</p> <p>In order to successfully develop the Webb Project and for production to commence, the Company will require further financing in the future, in addition to amounts raised pursuant to the Offer (particularly if only the Minimum Subscription is met). Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or Offer Price) or may involve restrictive covenants which</p>	<p>Section 4.1(a)</p>

Topic	Summary	More information
	<p>limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.</p> <p>The Company may undertake additional offerings of Shares and of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.</p>	
Exploration and development	<p>Mineral exploration and development is a high risk undertaking. There can be no assurances that exploration of the Webb Project or any other exploration properties that may be acquired in the future will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.</p> <p>The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.</p> <p>The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to the Webb Project and obtaining all required approvals for its activities. In the event that exploration programs are unsuccessful this could lead to a diminution in the value of the Webb Project, a reduction in the cash reserves of the Company and possible relinquishment of part or all of the Webb Project.</p> <p>Investors are cautioned that the Tenements being in close proximity to other occurrences of mineralisation is no guarantee that the Tenements will be prospective for an economic reserve.</p>	Sections 4.2(a)
Development risk under the Webb JV Agreement	<p>Pursuant to the Webb JV Agreement, a decision to mine (being the commencement of mining operations on the Tenements) cannot proceed unless and until a unanimous decision is passed by the management committee of the Webb Joint Venture.</p> <p>There are no deadlock provisions or sole risk provisions in the Webb JV Agreement and any of the joint venture parties entitled to vote at a management committee meeting, including a party holding a minority joint venture interest (being Meteoric), can therefore block a decision</p>	Section 4.1(j)(iii)

Topic	Summary	More information
	<p>to mine and prevent the commencement of mining operations on the relevant tenement.</p> <p>As a result, there is a risk that the Company may not be able to commence mining operations on the Tenements if and when it considers appropriate, or at all, unless there is unanimous agreement between all joint venture parties.</p>	
Previous exploration and resource estimation risks	<p>No reported exploration target, mineral resource or reserve has been defined on any of the Webb Project area.</p> <p>Whilst the Company intends to undertake exploration activities with the aim of defining a resource, no assurances can be given that the exploration will result in the determination of a resource. Even if a resource is identified, no assurance can be provided that this can be economically extracted.</p>	Section 4.1(c)
Title risks	<p>Beneficial and Legal Title</p> <p>The Company's beneficial interest in the Tenements (described in sections 4.1 and 10.1(a)(viii) of the Solicitor's Report) does not correspond to its registered legal interest in the Tenements (set out in Schedule 1 of the Solicitor's Report).</p> <p>Unless and until the portion of the legal interest in the Tenements has been transferred to the Company, there is a risk that the Company will not be able to secure its remaining legal interest in the tenements, or that it may end up in dispute in relation to the transfer of the legal interest. The Company considers this risk to be low based on previous transfers of title from Meteoric.</p> <p>The Company intends to take steps to transfer the remaining portion of its legal interest in the Tenements so that the legal, registered interest held by the Company in the Tenements is the same as the beneficial interest it holds under the Webb JV Agreement, as soon as possible.</p> <p>Grant</p> <p>Pending Tenements ELA80/5864 and ELA80/5956 have not been granted yet. Accordingly, there is a risk that these applications may not be granted in their entirety or only granted on conditions unacceptable to the Company or that such grant will be delayed.</p> <p>In particular, ELA80/5956 was only recently applied for and remains subject to a 35 day objection period (closing on 18 September 2023) whereby a party may object to the grant of the tenement under the Mining Act. Should an objection be lodged, the objection will need to be resolved and withdrawn, which may delay the grant of ELA80/5956. Unless parallel processing is requested,</p>	Section 4.1(e)

Topic	Summary	More information
	after the 35 day Mining Act objection period (and depending on whether any objections are lodged) ELA80/5956 will be subject to a 4 month native title advertising period, which may also further delay the grant of the tenement.	
General risks	<p>The Company is subject to various general risks, including but not limited to:</p> <ul style="list-style-type: none"> (a) General economic climate; (b) Market conditions; (c) Securities investment; (d) Force majeure; (e) Government and legal risk; (f) Insurance risks; (g) Taxation; (h) Unforeseen expenditure risk; (i) Climate change risks; (j) Infectious diseases; and (k) Speculative investment. 	Sections 4.3 and 4.4
Directors, related party interest and substantial holders		
Who are the Directors and key management personnel?	<p>The Board of the Company comprises:</p> <ul style="list-style-type: none"> (a) Darryl Harris - Non-Executive Chair; (b) Daniel (Stan) Wholley - Managing Director and Chief Executive Officer; and (c) Grant Mooney - Non-Executive Director and Company Secretary. 	Section 6.2

Topic	Summary	More information																																								
<p>What interests do the Directors and key management personnel have in the Securities of the Company at the Prospectus Date and at Admission?</p>	<p>The Directors, key management personnel and their related entities have the following interests in Securities as at the Prospectus Date:</p> <table border="1" data-bbox="477 423 1153 828"> <thead> <tr> <th>Name</th> <th>Shares</th> <th>%</th> <th>Options</th> </tr> </thead> <tbody> <tr> <td>Darryl Harris</td> <td>1,000,000</td> <td>1.7</td> <td>5,000,000</td> </tr> <tr> <td>Daniel (Stan) Wholley</td> <td>3,250,000</td> <td>5.4</td> <td>6,500,000</td> </tr> <tr> <td>Grant Mooney</td> <td>1,475,000</td> <td>2.5</td> <td>2,000,000</td> </tr> <tr> <td>Ashley Martin (Former Director)</td> <td>2,250,000</td> <td>3.7</td> <td>-</td> </tr> </tbody> </table> <p>Based on the intentions of the Directors at the Prospectus Date in relation to the Offer, it is expected that the Directors and their related entities will have the following interests in Securities on Admission (assuming the Minimum Subscription is raised):</p> <table border="1" data-bbox="477 1052 1153 1458"> <thead> <tr> <th>Name</th> <th>Shares</th> <th>%</th> <th>Options</th> </tr> </thead> <tbody> <tr> <td>Darryl Harris</td> <td>1,000,000</td> <td>1.0</td> <td>5,000,000</td> </tr> <tr> <td>Daniel (Stan) Wholley</td> <td>3,300,000</td> <td>3.3</td> <td>6,500,000</td> </tr> <tr> <td>Grant Mooney</td> <td>1,575,000</td> <td>1.6</td> <td>2,000,000</td> </tr> <tr> <td>Ashley Martin (Former Director)</td> <td>2,250,000</td> <td>2.3</td> <td>-</td> </tr> </tbody> </table>	Name	Shares	%	Options	Darryl Harris	1,000,000	1.7	5,000,000	Daniel (Stan) Wholley	3,250,000	5.4	6,500,000	Grant Mooney	1,475,000	2.5	2,000,000	Ashley Martin (Former Director)	2,250,000	3.7	-	Name	Shares	%	Options	Darryl Harris	1,000,000	1.0	5,000,000	Daniel (Stan) Wholley	3,300,000	3.3	6,500,000	Grant Mooney	1,575,000	1.6	2,000,000	Ashley Martin (Former Director)	2,250,000	2.3	-	Section 6.5
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<p>What benefits are being paid to the Non-Executive Directors?</p>	<p>Darryl Harris and Grant Mooney have each entered into a letter of appointment with the Company which details their proposed remuneration and any additional benefits to which they are entitled, as set out in Section 6.6.</p> <table border="1" data-bbox="477 1644 1153 1861"> <thead> <tr> <th>Director</th> <th>Remuneration (exclusive of superannuation) (\$)</th> </tr> </thead> <tbody> <tr> <td>Darryl Harris</td> <td>\$60,000</td> </tr> <tr> <td>Grant Mooney</td> <td>\$40,000</td> </tr> </tbody> </table>	Director	Remuneration (exclusive of superannuation) (\$)	Darryl Harris	\$60,000	Grant Mooney	\$40,000	Sections 6.6 and 7.4																																		
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What important contracts with related parties is the Company a party to?	The Company's material contracts are set out in Section 7.	Section 7																																
Who will be the substantial holders of the Company?	<p>As at the date of this Prospectus, the Shareholders holding an interest in 5% or more of the Shares on issue are as follows:</p> <table border="1"> <thead> <tr> <th>Substantial Shareholder</th> <th>Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Venturo Nominees Pty Ltd</td> <td>7,333,334</td> <td>12.2</td> </tr> <tr> <td>Johannes Versteeg</td> <td>7,333,334</td> <td>12.2</td> </tr> <tr> <td>Hardy Road Investments Pty Ltd</td> <td>4,000,000</td> <td>6.6</td> </tr> <tr> <td>Joarch Jagia Investments Pty Ltd</td> <td>3,300,000</td> <td>5.5</td> </tr> <tr> <td>Jeanette Wholley¹</td> <td>3,250,000</td> <td>5.4</td> </tr> </tbody> </table> <p>Notes:</p> <p>1. A related party of Daniel Wholley.</p> <p>Based on the information known as at the date of this Prospectus, on Admission the following persons will have an interest in 5% or more of the Shares on issue:</p> <table border="1"> <thead> <tr> <th rowspan="2">Substantial Shareholder</th> <th rowspan="2">Shares</th> <th colspan="2">%</th> </tr> <tr> <th>Minimum Subscription</th> <th>Maximum Subscription</th> </tr> </thead> <tbody> <tr> <td>Alan Quartermaine</td> <td>7,666,667</td> <td>7.7</td> <td>7</td> </tr> <tr> <td>Johannes Versteeg</td> <td>7,333,334</td> <td>7.3</td> <td>6.7</td> </tr> </tbody> </table>	Substantial Shareholder	Shares	%	Venturo Nominees Pty Ltd	7,333,334	12.2	Johannes Versteeg	7,333,334	12.2	Hardy Road Investments Pty Ltd	4,000,000	6.6	Joarch Jagia Investments Pty Ltd	3,300,000	5.5	Jeanette Wholley ¹	3,250,000	5.4	Substantial Shareholder	Shares	%		Minimum Subscription	Maximum Subscription	Alan Quartermaine	7,666,667	7.7	7	Johannes Versteeg	7,333,334	7.3	6.7	Section 8.6
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What fees are payable to the Joint Lead Managers?	<p>The Company will pay the following fees to the Joint Lead Managers (or their nominees) pursuant to the Joint Lead Manager Mandate:</p> <ul style="list-style-type: none"> (a) a management fee of 2% of the proceeds from the Offer (before costs); (b) a placement fee of 4% of the proceeds raised by Oracle Capital and 708 Capital (before costs), payable in proportion to the respective amounts raised by each Joint Lead Manager; and (c) 4,000,000 Options exercisable at \$0.25 per Option and expiring 3 years from the date of Admission (JLM Options), to be issued to the Joint Lead Managers in the following proportions: <ul style="list-style-type: none"> (i) 3,000,000 JLM Options to Oracle Capital (or its nominees); and (ii) 1,000,000 JLM Options to 708 Capital (or its nominees). 	Section 2.7																								
What is the Joint Lead Managers' interests in the Securities of the Company at the Prospectus Date and at Admission?	<p>The Joint Lead Managers and their associates have a relevant interest in the following securities as at the date of this Prospectus:</p> <table border="1" data-bbox="475 1093 1155 1352"> <thead> <tr> <th>Joint Lead Manager</th> <th>Shares</th> <th>%</th> <th>Options</th> </tr> </thead> <tbody> <tr> <td>Oracle Capital Group Pty Ltd</td> <td>3,300,000</td> <td>5.5</td> <td>1,650,000</td> </tr> <tr> <td>708 Capital Pty Ltd</td> <td>500,000</td> <td>0.8</td> <td>250,000</td> </tr> </tbody> </table> <p>Based on the information available to the Company as at the date of the Prospectus regarding:</p> <ul style="list-style-type: none"> (a) Oracle Capital and its associates' intention to subscribe for up to 625,000 Shares under the Offer (subject to the allocation policy in Section 2.13); and (b) 708 Capital and its associates' intention to subscribe for up to 500,000 Shares under the Offer (subject to the allocation policy in Section 2.13), <p>the Joint Lead Managers and their associates will have a relevant interest in the following Securities on Admission (assuming the Minimum Subscription is raised):</p> <table border="1" data-bbox="475 1800 1155 2007"> <thead> <tr> <th>Joint Lead Manager</th> <th>Shares</th> <th>%</th> <th>Options</th> </tr> </thead> <tbody> <tr> <td>Oracle Capital Group Pty Ltd</td> <td>3,925,000</td> <td>3.9</td> <td>4,650,000</td> </tr> <tr> <td>708 Capital Pty Ltd</td> <td>1,000,000</td> <td>1.0</td> <td>1,250,000</td> </tr> </tbody> </table>	Joint Lead Manager	Shares	%	Options	Oracle Capital Group Pty Ltd	3,300,000	5.5	1,650,000	708 Capital Pty Ltd	500,000	0.8	250,000	Joint Lead Manager	Shares	%	Options	Oracle Capital Group Pty Ltd	3,925,000	3.9	4,650,000	708 Capital Pty Ltd	1,000,000	1.0	1,250,000	Section 2.7
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Topic	Summary	More information
Summary of the Offer		
What is the Offer?	The Offer is an initial public offering of Shares at an offer price of \$0.20 per Share, for the issue of not less than 40,000,000 Shares and up to 50,000,000 Shares to raise a minimum of \$8,000,000 (before costs) (Minimum Subscription) and a maximum of \$10,000,000 (before costs) (Maximum Subscription).	Section 2.1
What is the minimum subscription amount under the Public Offer?	The Minimum Subscription for the Offer is 40,000,000 Shares at \$0.20 per Share to raise \$8,000,000 before costs. None of the Securities offered under this Prospectus will be issued if Applications are not received for the Minimum Subscription. Should Applications for the Minimum Subscription not be received within four months from the Prospectus Date, the Company will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).	Section 2.1
What is the Offer Price?	The price payable under the Offer is \$0.20 per Share.	Section 2.1
What are the terms of the Shares offered under the Offer?	A summary of the material rights and liabilities attaching to the Shares offered under the Offer are set out in Section 8.1.	Sections 8.1
What are the conditions of the Offer?	The Offer under this Prospectus is conditional upon the following events occurring: (a) the Company raising the Minimum Subscription; (b) to the extent required by ASX or the Listing Rules, certain persons entering into a restriction agreement imposing such restrictions on trading on the Company's Securities as mandated by the Listing Rules; and (c) ASX providing the Company with a list of conditions which, once satisfied, will result in ASX admitting the Company to the Official List. If these conditions are not satisfied then the Offer will not proceed and the Company will repay all Application Monies received under the Offer to the Applicants (without interest) in accordance with the Corporations Act.	Section 2.4
Will the Shares be quoted?	Application for quotation of all Shares to be issued under the offer will be made to ASX no later than seven days after the date of this Prospectus.	Section 2.11

Topic	Summary	More information
Are there any escrow arrangements?	<p>Yes, there are compulsory escrow arrangements under the Listing Rules.</p> <p>None of the Shares issued under the Offer will be subject to escrow.</p> <p>The Company anticipates that upon Admission:</p> <p>(a) approximately 21,700,001 Shares and 23,416,666 Options will be classified as restricted securities by ASX for a period of 24 months from the date of quotation;</p> <p>(b) approximately 11,096,183 Shares and 4,750,000 Options will be classified as restricted securities by ASX for a period of 12 months from the date of issue; and</p> <p>(c) 12,587,667 Shares will be subject to voluntary escrow for up to six months from the date of Admission.</p> <p>The Company's 'free float' at the time of Admission will be not less than 20%.</p>	Section 2.18
Is the Offer underwritten?	No, the Offer is not underwritten.	Section 2.1
Will the Company be adequately funded after completion of the Offer?	The Directors are satisfied that on completion of the Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.	Section 2.5
Who is eligible to participate in the Offer?	The Offer is open to all investors with a registered address in Australia and certain investors in New Zealand as set out in Section 2.16.	Sections 2.16 and 2.17
How do I apply for Shares under the Offer?	Applications for Shares under the Offer must be made by completing the Application Form attached in this Prospectus in accordance with the instructions set out in the Application Form.	Section 2.9

Topic	Summary	More information
What is the allocation policy?	<p>The Directors, in conjunction with the Joint Lead Managers will allocate Shares in the Offer at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward.</p> <p>The allocation policy will be influenced, but not constrained by the following factors:</p> <ul style="list-style-type: none"> (a) number of Shares applied for by particular Applicants; (b) timeliness of the bid by particular Applicants; (c) the Company's desire for an informed and active trading market following Completion; (d) the Company's desire to establish a wide spread of institutional Shareholders; (e) overall level of demand under the Offer; (f) size and type of funds under management of particular Applicants; (g) likelihood that particular Applicants will be long-term Shareholders; and (h) other factors that the Company and the Joint Lead Managers consider appropriate. <p>There is no assurance that any Applicant will be allocated any Shares under the Offer (unless otherwise provided in Section 2.13), or the number of Shares for which it has applied. The Company reserves the right to reject any Application or to issue a lesser number of Shares than those applied for under the Offer. Where the number of Shares issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the Closing Date.</p>	Section 2.13
When will I receive confirmation that my Application has been successful?	Holding statements confirming allocations under the Offer will be sent to successful applicants on or about 3 October 2023.	Section 2.10
Can the Offer be withdrawn?	<p>The Company reserves the right not to proceed with the Offer at any time before the issue or transfer of Shares to successful applicants.</p> <p>If the Offer does not proceed, Application Monies will be refunded (without interest).</p>	Section 2.9

Topic	Summary	More information
<p>How can I find out more about the Prospectus or the Offer?</p>	<p>This Prospectus provides information for potential investors in the Company and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser.</p> <p>Questions relating to the Offer and the completion of an Application Form can be directed to the Company Secretary on +61 8 9226 0085.</p>	<p>Section 2.23</p>

2. Details of the Offer

2.1 The Offer

The Offer is an initial public offering of Shares, at an offer price of \$0.20 per Share (**Offer Price**), for the issue of not less than 40,000,000 Shares and up to 50,000,000 Shares to raise a minimum of \$8,000,000 (before costs) (**Minimum Subscription**) and a maximum of \$10,000,000 (before costs) (**Maximum Subscription**).

The Offer is made with disclosure under this Prospectus and is made on the terms, and is subject to the conditions, set out in this Prospectus.

The Shares to be issued by the Company pursuant to the Offer are of the same class and will rank equally with the existing Shares on issue. The rights and liabilities attaching to the Shares are further described in Section 8.1.

Applications for Shares under the Offer must be made on the Application Form accompanying this Prospectus. Persons wishing to apply for Shares under the Offer should refer to Section 2.9 for further details and instructions.

The Offer is not underwritten.

2.2 Purpose of the Offer

The primary purposes of this Prospectus is to:

- (a) raise not less than \$8,000,000 and up to \$10,000,000 (before costs) under the Offer;
- (b) provide funding for the purposes outlined in the proposed use of funds in Section 2.5;
- (c) position the Company to seek to achieve the objectives detailed in Section 3;
- (d) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for Admission;
- (e) provide the Company with access to capital markets to improve financial flexibility;
and
- (f) provide the Company with the benefits of an increased profile that arises from being a listed entity.

2.3 Minimum Subscription

The minimum subscription under the Offer is \$8,000,000 (before costs) (being 40,000,000 Shares).

None of the Shares offered under this Prospectus will be issued if Applications are not received for the Minimum Subscription. Should Applications for the Minimum Subscription not be received within three months from the Prospectus Date, the Company will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).

2.4 Conditional Offer

The Offer under this Prospectus is conditional upon the following events occurring:

- (a) the Company raising the Minimum Subscription;
- (b) to the extent required by ASX or the Listing Rules, certain persons entering into a restriction agreement imposing such restrictions on trading on the Company's Securities as mandated by the Listing Rules; and
- (c) ASX providing the Company with a list of conditions which, once satisfied, will result in ASX admitting the Company to the Official List.

If these conditions are not satisfied then the Offer will not proceed and the Company will repay all Application Monies received under the Offer to the Applicants (without interest) in accordance with the Corporations Act.

2.5 Proposed use of funds

Following the Offer, it is anticipated that the following funds will be available to the Company:

Source of funds	\$	
	Minimum Subscription	Maximum Subscription
Existing cash as at the Prospectus Date	928,505	928,505
Expenses of the Offer	730,000	850,000
Proceeds from the issue of Shares under the Offer	8,000,000	10,000,000
Total funds available	8,198,505	10,078,505

The following table shows the intended use of funds in the 24-month period following Admission:

Use of funds	Minimum Subscription		Maximum Subscription	
	(\$'000)	%	(\$'000)	%
Year 1				
Exploration and evaluation programs at the Webb Project ¹	2,546	31.1	2,996	29.7
Costs of the Offer ²	730	8.9	850	8.4
General administration costs ³	500	6.1	550	5.5
Working capital ⁴	952	11.6	1,362	13.5
Sub-total (Year 1)	4,728	57.7	5,758	57.1
Year 2				
Exploration and evaluation programs at the Webb Project ¹	2,018	24.6	2,408	23.9
General administration costs ³	500	6.1	550	5.5
Working capital ⁴	952	11.6	1,362	13.5
Sub-total (Year 2)	3,470	42.3	4,320	42.9
Total funds allocated	8,198	100.0	10,078	100.0

Notes:

1. Including, but not limited to, geophysics acquisition & interpretation, drilling & assays. Refer to Section 3.5(d) for further information on the Company's exploration budget.
2. Expenses paid or payable by the Company in relation to the Offer are set out in Section 8.9.
3. Including, but not limited to, executive and non-executive director costs, company secretary costs, legal and accounting costs, rent, municipal taxes and other operating overheads. See Section 6.6 for further details of the Directors' remuneration.
4. Working capital also includes surplus funds, accrued director fees, funds for marketing, exploration and potential future acquisition costs which include costs required for the identification of new projects and opportunistic acquisitions. The Company notes that:

- (a) it is not currently considering other acquisitions;
- (b) that any future acquisitions are likely to be in the mineral resource sector;
- (c) that the timing of any such transactions is not yet known; and
- (d) if no suitable acquisition opportunity arises, and subject to the outcomes of exploration activities, the Company may elect to allocate some or all of these funds to exploration on the Company's existing Projects.

The above table is a statement of current intentions as at the Prospectus Date. Prospective investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including market conditions, the development of new opportunities and/or any number of other factors (including the risk factors outlined in Section 4), and actual expenditure levels, may differ significantly from the above estimates.

The Board believes that the Company's available cash and the net proceeds of the Offer will provide the Company with sufficient working capital to fund its near-term capital commitments and to achieve its stated objectives as detailed in this Prospectus, however, the Company may require further financing in the future. See Section 4.1(a) for further details about the risks associated with the Company's future capital requirements.

The use of further equity funding may be considered by the Company where it is appropriate to accelerate a specific project or strategy.

Based on the intended use of funds detailed above, the amounts raised pursuant to the Offer will provide the Company with sufficient funding for approximately 24 months following Admission.

2.6 Capital Structure on Admission

On the basis that the Company completes the Offer on the terms in this Prospectus, the Company's capital structure will be as follows:

Capital Structure	Minimum Subscription		Maximum Subscription		Options
	Shares	%	Shares	%	
Existing Securities	60,173,191	60.1	60,173,191	54.6	24,166,666 ¹
Shares to be issued under the Offer	40,000,000	39.9	50,000,000	45.4	-
Options to be issued to the Joint Lead Managers ²	-	-	-	-	4,000,000
Total Securities on completion of the Offer³	100,173,191	100.0	110,173,191	100.0	28,166,666

Notes:

- See Sections 8.2, 8.3 and 8.4 for the terms and conditions of the Class 1 Options, Class 2 Options and Director Options, respectively.
- See Section 7.3 for further details of the fees payable to the Joint Lead Managers and Section 8.3 for the terms and conditions of the JLM Options.

3. Assumes that no further Shares are issued and none of the Options are exercised.

The Company's free float at the time of Admission will be not less than 20%.

2.7 Joint Lead Managers' interests in the Offer

Oracle Capital Group Pty Ltd (**Oracle Capital**) and 708 Capital Pty Ltd (**708 Capital**) (together, the **Joint Lead Managers**) have been appointed as exclusive joint lead managers to the Offer. The Company and the Joint Lead Managers have entered into the Joint Lead Manager Mandate that is summarised in Section 7.3.

(a) Fees payable to the Joint Lead Managers

The Company will pay to the Joint Lead Managers (or their nominees) the following fees in accordance with the Joint Lead Managers Mandate summarised in Section 7.3:

- (i) a management fee of 2% of the proceeds from the Offer (before costs);
- (ii) a placement fee of 4% of the proceeds raised by Oracle Capital and 708 Capital (before costs), payable in proportion to the respective amounts raised by each Joint Lead Manager; and
- (iii) 4,000,000 Options exercisable at \$0.25 per Option and expiring 3 years from the date of Admission (**JLM Options**), to be issued to the Joint Lead Managers in the following proportions:
 - (A) 3,000,000 JLM Options to Oracle Capital (or its nominees); and
 - (B) 1,000,000 JLM Options to 708 Capital (or its nominees).

(b) Joint Lead Managers' interests in Securities

As at the Prospectus Date, the Joint Lead Managers and their associates have a relevant interest in the following Securities:

Joint Lead Manager	Shares	%	Options
Oracle Capital Group Pty Ltd	3,300,000	5.5	1,650,000
708 Capital	500,000	0.8	250,000

Based on the information available to the Company as at the date of the Prospectus regarding:

- (i) Oracle Capital and its associates' intention to subscribe for up to 625,000 Shares under the Offer (subject to the allocation policy in Section 2.13); and
- (ii) 708 Capital and its associates' intention to subscribe for up to 500,000 Shares under the Offer (subject to the allocation policy in Section 2.13),

and assuming the Minimum Subscription is achieved under the Offer, the Joint Lead Managers and their associates will have a relevant interest in the following Securities on Admission:

Joint Lead Manager	Shares	%		Options
		Minimum Subscription	Maximum Subscription	
Oracle Capital Group Pty Ltd	3,925,000	3.9	3.6	4,650,000
708 Capital	1,000,000	1.0	0.9	1,250,000

(c) **Joint Lead Managers' participation in previous placements**

Oracle Capital and its associates subscribed for 3,300,000 Shares at an issue price of \$0.05 per Share, together with one free attaching Option for every two Shares subscribed for, under a placement undertaken by the Company in July 2023 (**Pre-IPO Placement**).

708 Capital and its associates subscribed for 500,000 Shares at an issue price of \$0.05 per Share, together with one free attaching Option for every two Shares subscribed for, under the Pre-IPO Placement.

The Joint Lead Managers did not receive any fees in respect of the Pre-IPO Placement.

The Class 2 Options have an exercise price of \$0.25 and an expiry date of 31 July 2026. See Section 8.3 for the terms and conditions of the Class 2 Options.

2.8 Forecasts

The Directors have considered the matters detailed in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

The Directors consequently believe that, given these inherent uncertainties, it is not possible to include reliable forecasts in this Prospectus.

Refer to Section 3 for further information in respect to the Company's proposed activities.

2.9 Applications

Applications for Shares under the Offer must be made on the relevant Application Form accompanying this Prospectus and received by the Company on or before the relevant Closing Date.

(a) Offer

Applications for Shares under the Offer must be made using the relevant Application Form attached to or accompanying this Prospectus in accordance with the instructions set out on the Applications Form.

Applications under the Offer must be for a minimum of 10,000 Shares (\$2,000) and then in increments of 1,000 Shares (\$200).

No brokerage, stamp duty or other costs are payable by Applicants. All Application Monies will be paid into a trust account.

(i) Option 1: Submit an online Application Form and pay with BPAY®

For online applications, investors can apply online with payment made electronically via BPAY®. Investors applying online will be directed to use an online Application Form and make payment by BPAY®. Applicants will be given a BPAY® biller code and a customer reference number (**CRN**) unique to the online Application once the online Application Form has been completed.

BPAY® payments must be made from an Australian dollar account of an Australian institution. Using the BPAY® details, Applicants must:

- (A) access their participating BPAY® Australian financial institution either via telephone or internet banking;
- (B) select to use BPAY® and follow the prompts; enter the biller code and unique CRN that corresponds to the online Application;
- (C) enter the amount to be paid which corresponds to the value of Shares under the online Application Form;
- (D) select which account payment is to be made from;
- (E) schedule the payment to occur on the same day that the online Application Form is completed. Applications without payment will not be accepted; and
- (F) record and retain the BPAY® receipt number and date paid.

Investors should confirm with their Australian financial institution whether there are any limits on the Investor's account that may limit the amount of any BPAY® payment and the cut off time for the BPAY® payment.

Investors can apply online by following the instructions at <https://xcend.app/cgnresourcesipo> and completing a BPAY® payment. If payment is not made via BPAY®, the Application will be incomplete and will not be accepted. The online Application Form and BPAY® payment must be completed and received by no later than the Closing Date.

(ii) **Option 2: Submit an Application Form and pay via Electronic Funds Transfer “EFT”**

Investors can apply online with payment made electronically via EFT (<https://xcend.app/cgnresourcesipo>). Investors applying online will be directed to use an online Application Form and will be given a payment reference number unique to the online Application once the online Application Form has been completed.

EFT payments must be received in Australian dollars (\$AUD). Using EFT payment details, Applicants must:

- (A) use the unique payment reference number that corresponds to the online Application Form;
- (B) enter the amount to be paid which corresponds to the value of Shares under the online Application Form;
- (C) select which account payment is to be made from;
- (D) schedule the payment to occur on the same day that the online Application Form is completed. Applications without payment will not be accepted; and
- (E) record and retain the EFT receipt number and date paid.

Applicants should confirm with their Australian financial institution whether there are any limits on the Applicant’s account that may limit the amount of any EFT payment and the cut off time for the funds transfer. An original, completed and lodged Application Form together with confirmation of BPAY® or EFT payment for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors’ decision as to whether to treat such an Application as valid and how to construe amend or complete the Application Form is final; however an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the BPAY® or EFT for the Application Monies.

It is the responsibility of Applicants outside of Australia and New Zealand to obtain all necessary approvals for the allotment and issue of Shares pursuant to this Prospectus. The return of a completed Application Form with the requisite Application Monies (if applicable) will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained and that the Applicant:

- (i) agrees to become a member of the Company and to be bound by the terms of the Constitution;
- (ii) agrees to be bound by the terms and conditions of the relevant Offer
- (iii) acknowledged having personally received a printed or electronic copy of the Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and having read them all in full;
- (iv) declares that all details and statements in the Application Form are complete and accurate;

- (v) declares that, if they are an individual, they are over 18 years of age and have full legal capacity and power to perform all its rights and obligations under the Application Form;
- (vi) acknowledges that, once the Company receives an Application Form, it may not be withdrawn;
- (vii) applies for the number of Shares at the Australian dollar amount shown on the front of the Application Form;
- (viii) agrees to being allocated and issued or transferred the number of Shares applied for (or a lower number allocated in a way described in this Prospectus), or no Shares at all;
- (ix) acknowledges that, in some circumstances, the Company may not pay dividends, or that any dividends paid may not be franked;
- (x) declared that the Applicant(s) is/are a resident of Australia or New Zealand;
- (xi) authorises the Company, the Joint Lead Managers and their respective officers or agents, to do anything on their behalf necessary for the Shares to be issued to them, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;
- (xii) acknowledges that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Shares are suitable for them given their investment objectives, financial situation or particular needs;
- (xiii) acknowledges that the Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia, and accordingly, the Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws;
- (xiv) acknowledges and agreed that the Offer may be withdrawn by the Company, or may otherwise not proceed in the circumstances described in this Prospectus; and
- (xv) acknowledges and agrees that if Admission does not occur for any reason, the Offer will not proceed.

The Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Offer or accept late Applications.

2.10 CHES and issuer sponsorship

The Company will apply to participate in CHES. All trading on the ASX will be settled through CHES. ASX Settlement, a wholly-owned subsidiary of the ASX, operates CHES in accordance with the Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry will operate an electronic issuer sponsored sub-register and an electronic CHES sub-register. The two sub-registers together make up the Company's principal register of securities.

Under CHESS, the Company will not issue certificates to Shareholders. Rather, holding statements (similar to bank statements) will be sent to Shareholders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for Shareholders who elect to hold Shares on the CHESS sub-register) or by the Company's Share Registry (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). The statements will set out the number of existing Shares (where applicable) and the number of new Shares allotted under this Prospectus and provide details of a Shareholder's holder identification number (for Shareholders who elect to hold Shares on the CHESS sub-register) or Shareholder reference number (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each Shareholder at the end of each month in which there is a transaction on their holding, as required by the Listing Rules.

2.11 ASX Listing and Official Quotation

Within seven days after the Prospectus Date, the Company will apply to ASX for admission to the Official List and for the Shares, including those offered by this Prospectus, to be granted Official Quotation (apart from any Shares that may be designated by ASX as restricted securities).

If ASX does not grant permission for Official Quotation within 3 months after the Prospectus Date (or within such longer period as may be permitted by ASIC) none of the Shares offered by this Prospectus will be allotted and issued. If no allotment and issue is made, all Application Monies will be refunded to Applicants (without interest) as soon as practicable.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.

2.12 Application Monies to be held in trust

Application Monies will be held in trust for Applicants until the allotment of the Shares. Any interest that accrues will be retained by the Company.

2.13 Allocation and issue of Shares

The Directors, in conjunction with the Joint Lead Managers will allocate Shares in the Offer at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward.

The allocation policy will be influenced, but not constrained by the following factors:

- (a) number of Shares applied for by particular Applicants;
- (b) timeliness of the bid by particular Applicants;
- (c) the Company's desire for an informed and active trading market following Completion;
- (d) the Company's desire to establish a wide spread of institutional Shareholders;
- (e) overall level of demand under the Offer;
- (f) size and type of funds under management of particular Applicants;
- (g) likelihood that particular Applicants will be long-term Shareholders; and
- (h) other factors that the Company and the Joint Lead Managers consider appropriate.

There is no assurance that any Applicant will be allocated any Shares under the Offer (unless otherwise provided in this Section 2.13), or the number of Shares for which it has applied. The Company reserves the right to reject any Application or to issue a lesser number of Shares than those applied for under the Offer. Where the number of Shares issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the Closing Date.

Subject to the matters in Section 2.11, Shares under the Offer are expected to be allotted on the Issue Date. It is the responsibility of Applicants to determine their allocation prior to trading in the Shares issued under the Offer. Applicants who sell Shares before they receive their holding statements do so at their own risk.

2.14 Trading and selling Shares on market

It is expected that trading of the Shares on the ASX will commence on or about 12 October 2023 and dispatch of initial holding statements is expected to occur on or about 3 October 2023.

It is the responsibility of each person who trades in Shares to confirm their holding before trading in Shares. If you sell Shares before receiving a holding statement, you do so at your own risk. The Company, the Share Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, if you sell Shares before receiving your holding statement.

2.15 Risks

Prospective investors should be aware that an investment in the Company should be considered highly speculative and involves a number of risks inherent in the various business segments of the Company. Section 4 details the key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

This Prospectus should be read in its entirety as it provides information for prospective investors to decide whether to invest in the Company. If you have any questions about the desirability of, or procedure for, investing in the Company please contact your stockbroker, accountant or other independent adviser.

2.16 Overseas Applicants

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue

this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit an offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia, should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia, it is your responsibility to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

2.17 Notice to investors in New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**).

The Securities are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- (a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- (b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- (c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- (d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- (e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

2.18 Escrow arrangements

ASX will classify certain existing Securities on issue in the Company (as opposed to those to be issued under this Prospectus) as being subject to the restricted securities provisions of the Listing Rules. Restricted Securities would be required to be held in escrow for up to 24 months and would not be able to be sold, mortgaged, pledged, assigned or transferred for that period without the prior approval of ASX. During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of their Shares in a timely manner.

None of the Shares issued pursuant to the Offer are expected to be restricted securities.

The Company anticipates that upon Admission approximately 32,796,184 Shares will be classified as restricted securities by ASX, which based on the Minimum Subscription, comprises approximately 32.74% of the issued share capital on an undiluted basis, and approximately 47.50% on a fully diluted basis (assuming all Options are issued and exercised and that no other Shares are issued).

Prior to the Company's Shares being admitted to Official Quotation on the ASX, the Company will enter into escrow agreements or escrow arrangements by way of restriction notice with

certain recipients of the restricted Securities in accordance with Chapter 9 of the Listing Rules, and the Company will announce to ASX full details (quantity and duration) of the Securities required to be held in escrow.

In addition to any mandatory imposed escrow outlined above, the Company has entered voluntary escrow deeds with 14 Shareholders in respect of an aggregate of 12,587,667 Shares to be voluntarily escrowed until the earlier of:

- (a) six months after the date of Admission; and
- (b) the Company's Share price attaining a five-day volume weighted average price (VWAP) of at least \$0.40 per Share.

As at the Prospectus Date, the Company expects approximately:

- (a) 21,700,001 Shares and 23,416,666 Options to be subject to 24 months escrow;
- (b) 11,096,183 Shares and 4,750,000 Options to be subject to 12 months escrow; and
- (c) 12,587,667 Shares to be subject to up to six months voluntary escrow.

2.19 Withdrawal

The Company, in consultation with the Joint Lead Managers, may at any time decide to withdraw this Prospectus and the Offer in which case the Company will return all Application Monies (without interest) to the Applicants within 28 days of giving notice of their withdrawal.

2.20 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Shares under the Offer. The Company, the Joint Lead Managers and their respective advisers and officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Shares under the Offer.

2.21 Privacy disclosure

Persons who apply for Shares pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess Applications for Shares, to provide facilities and services to security holders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If you do not provide the information required on the relevant Application Form, the Company may not be able to accept or process your Application.

An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

2.22 Paper copies of Prospectus

The Company will provide paper copies of this Prospectus (including any supplementary or replacement document) and the Application Form to investors upon request and free of charge. Requests for a paper copy Prospectus and Application Form should be directed to the Company Secretary on +61 8 9226 0085.

2.23 Enquiries

This Prospectus provides information for potential investors in the Company and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser.

Questions relating to the Offer and the completion of an Application Form can be directed to the Company Secretary on +61 8 9226 0085.

3. Company and business overview

3.1 Background to the Company

The Company was incorporated as a proprietary company on 9 February 2007 in the State of Western Australia and is an exploration company focussed on the discovery and development of base and precious metals at the Company's flagship Webb Project.

The Company holds an 86% beneficial interest in the Webb Project, located in the remote West Arunta region of the Gibson Desert of Western Australia, approximately 500 km due south of Halls Creek and 630 km west of Alice Springs. Details of the Company's project are set out in Section 3.5. The Company's legal interest in the Webb Project is set out in further detail at section 10 of the Solicitor's Report at Annexure C of this Prospectus.

3.2 Board and senior management

The Company's Board comprises:

- (a) Darryl Harris (Non-Executive Chair);
- (b) Daniel (Stan) Wholley (Managing Director and Chief Executive Officer); and
- (c) Grant Mooney (Non-Executive Director and Company Secretary).

Further information on the Board and senior management is set out in Section 6.

3.3 Company structure

The Company has one (dormant) subsidiary, Geominerals Pty Ltd (ACN 157 870 383).

3.4 Business strategy/objectives

The Company's main objective is to provide a return to Shareholders through the successful exploration, discovery and development of high value base and precious metal resources.

In seeking to achieve its objective, the Company's business model will be to:

- (a) analyse and interrogate previous exploration data to refine the current identified targets and to generate additional high priority targets within the current tenement package for future exploration;
- (b) undertake drilling and geophysical work programs on priority targets within the current tenement package with the aim of identifying and delineating mineral systems and establishing resources; and
- (c) if successful in delineating mineral resources, the Company plans to evaluate the economic potential for development of the Webb Project.

Although the Company's immediate focus will be on the Webb Project, as with most exploration entities, it will pursue and assess other new business opportunities in the resource sector over time which complement its business. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation. The Board will assess the suitability of investment opportunities by utilising its experience in evaluating projects. There are uncertainties in the process of identifying and acquiring new and suitable projects. The Company confirms that it is not currently considering other acquisitions and that future acquisitions are likely to be in the mineral resource sector.

3.5 Overview of the Webb Project

(a) Background

The Webb Project is located in the north-east of Western Australia (Figure 1) in the Aileron province of the West Arunta Orogen (**WAO**) and has been recognised by the Company, our neighbours and Geoscience Australia as being highly prospective for iron oxide copper gold (**IOCG**)-style mineralisation and nickel sulphide mineralisation. In addition, the Company has already demonstrated the potential for diamondiferous kimberlites by discovering the largest kimberlite field in Australia. The tenement package is considered highly prospective and recent work by the Company has highlighted six high priority targets, targeting IOCG, nickel and rare earth elements (**REE**). Recent work by the Company's neighbours WA1 Resources Ltd and Encounter Resources Ltd have made significant discoveries of metalliferous carbonatites, demonstrating the potential of the WAO to host major magmatic deposits.



Figure 1: Project location

Investors are cautioned that the Tenements' proximity to other occurrences of mineralisation is no guarantee that the Tenements will be prospective for an economic reserve. See Section 4.2(a) for further information regarding exploration and development risks.

(b) Tenements

Details of the Tenements that comprise the Projects are summarised in the table below:

Exploration Licences	Grant date	Expiry date	Area (km ²)
E80/4815	7 April 2014	6 April 2024	82.16
E80/5471	4 September 2020	3 September 2025	82.16
E80/5496	25 May 2021	24 May 2026	66.36
E80/5499	2 August 2021	1 August 2026	208.56
E80/5573	4 November 2021	3 November 2026	129.56
E80/5633	25 January 2022	24 January 2027	221.2
ELA80/5864	Application	Application	113.76
ELA80/5956	Application	Application	44.24

See Schedule 1 of the Solicitor's Report in Annexure C for further information on the Tenements.

(c) Historical exploration and prospectivity

During the exploration for diamonds, the Company collected a high quality database of drillhole geochemistry, surface geochemistry, gravity data and aeromagnetic data. This data provided a high quality data set for diamond exploration, and are equally useful to support the Company's new focus for metalliferous magmatic deposits. A comprehensive review of all data has highlighted the potential for multiple metalliferous target types within the tenure.

Within the drilling database, 14 holes were recognised as having zones of anomalous elemental metallic pathfinder elements (copper, cobalt, chromium, lanthanum, nickel, uranium and Fe₂O₃) indicative of IOCG mineralisation. The highest copper value occurring in hole W14RC004 with drill chip sampling returning a value of 0.23% Cu at 79-80m as well as highly anomalous cobalt and rare earth elements. Drillhole W14RC009 intersected nickel grades up to 1.16% Ni over two metres (66-68m) and hole W14RC045 intersected highly anomalous REE's with a 37m intercept grading 0.38% total rare earth oxides from 63m (refer to Section 6 of the Independent Geologist's Report at Annexure B for further details). The highly prospective drilling results coupled with clear geophysical targets has encouraged the Company to focus more resources into the exploration for metalliferous magmatic deposits.

A detailed review of the Company's geochemical database and reinterpretation of the geophysics results has identified six high priority targets within the tenure (Figure 2) that will be the focus of initial exploration. There are four high-quality IOCG targets Tantor, Surus, Snorky and Horton. The Shep target is focussed on highly anomalous nickel results overlying a large sill-like feature in the aeromagnetic data. The Hathi target is centred on hole W14RC045 which intersected a thick zone of highly anomalous rare earth elements comprising a 37 m intercept of 0.38% total rare earth oxide from 60m to 97m.

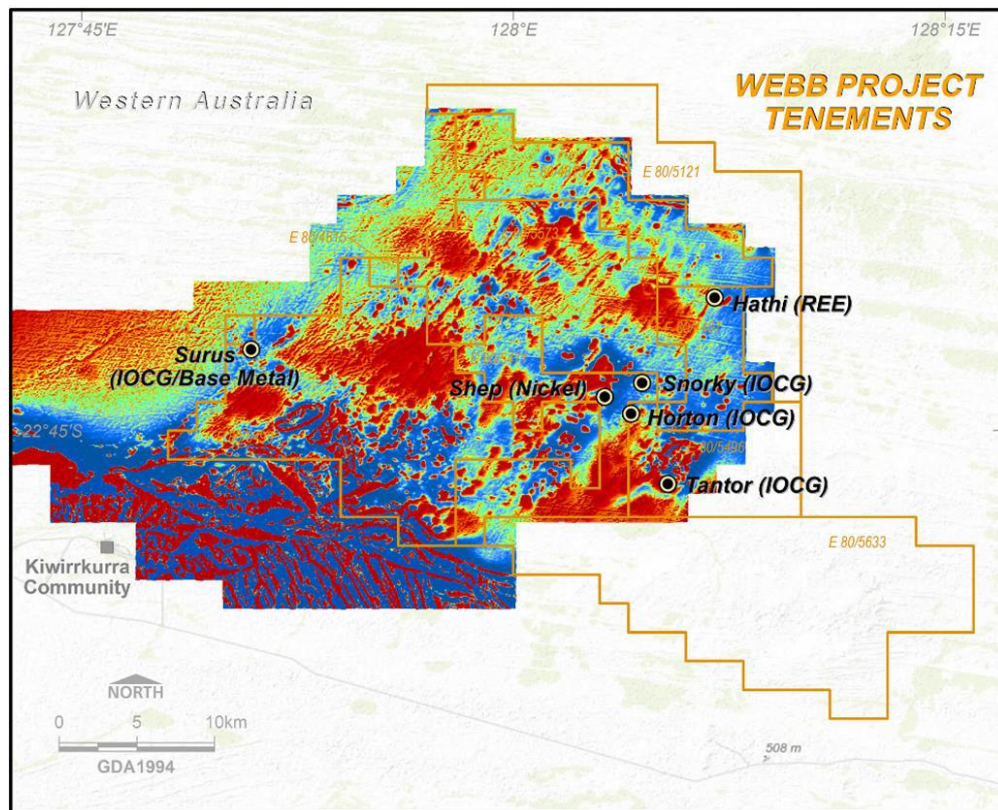


Figure 2: IOCG Targets shown over Aeromagnetic image, with mineralised drillhole locations (CGN Resources 2023)

The IOCG targets represent drill ready targets to explore in programs at the Project post-Admission. The targets are compelling for a number of reasons as outlined below:

- (i) published prospectivity assessments by Geoscience Australia and the discovery of IOCG mineralisation in the region provides both strong scientific and empirical support to the prospectivity of the Webb project for IOCG (see section 3.4.2 of the Independent Geologist's Report in Annexure B);
- (ii) the targets are based on coincident gravity and magnetic highs consistent with most global IOCG deposits;
- (iii) the geochemical signature of results intersected in drilling are well aligned with those recognised globally for this deposit style;
- (iv) the scale of the targets is consistent with other Australian IOCG deposits;
- (v) favourable geodynamic relationships, mineral system mechanisms and structure for IOCG development;
- (vi) regional geochemistry shows the primary and alteration geochemistry of the felsic magmas of the Mt Webb region resembles those of any other Proterozoic Cu-Au mineralised areas in the World;
- (vii) the Webb Project sits adjacent to the Central Australian Suture a major crustal scale structural feature considered important for the deposition of anomalous IOCG depositional styles see section 3 of the Independent Geologist's Report in Annexure B; and

- (viii) major alkaline intrusions have been discovered in the adjacent tenure to the north which are a fundamental requirement for IOCG development.

Further to the IOCG potential, the Company has highlighted nickel and REE targets based on mineralised intercepts from reverse circulation drillholes. The prospectivity of the Shep nickel target is supported by the results of drillhole W14RC009 (402598mE, 7485680mN, vertical hole, 110m total depth) which directly overlies a distinct sill-like feature in the magnetic data and demonstrated the presence of high-grade nickel, including an intercept of 2m at 1.16% Ni from 66m to 68m in a partially sampled 24m zone (66–90m) averaging 0.52% Ni (0.2% Ni cut-off). The intercept was also highly anomalous in chromium, copper, magnesium, iron, vanadium, and sulphur with low silica (refer to section 6.7.1 of the Independent Geologist's Report at Annexure B for details).

The Hathi REE target is based around a mineralised intercept from drillhole W14RC045 (409256mE, 7492390mN, vertical, 100 m total depth) which was originally intended to target kimberlites. The prospectivity of this target is supported by:

- (i) the mineralised intercept in W14RC045 of a 37m (63–100 m) zone at 0.38% total rare earth oxide (**TREO**) (0.25% TREO cut-off) with the highest value of 0.71% TREO at 93–94m near the bottom of the hole;
- (ii) the intercept occurs adjacent to a coincident magnetic and gravity high interpreted as a possible carbonatite intrusive; and
- (iii) the drillhole aligns with a strong dyke feature in the magnetics that could have carbonatite affinities with the large intrusive feature.

A comprehensive summary of regional and local geology and historical exploration pertaining to the Webb Project is contained in the Independent Geologist's Report at Annexure B. A comprehensive summary of the status of the Project can be found in the Solicitor's Report in Annexure C.

(d) **Proposed exploration and exploration budget**

In the 24 months post-Admission, the Company intends to test existing key targets and identify new targets within this highly prospective zone. The Company will compile the resulting data and compile a coherent metallogenic model for the Webb Project to fully recognise the mineral potential of the Project.

The key programs to realise a discovery in the 24 months post-listing are summarised as follows:

- (i) **Key exploration activities planned in year 1 will include:**
 - collection and interpretation of ground gravity data over high-priority IOCG and REE targets;
 - assessment and integration of magnetic, gravity geology and geochemistry datasets into a robust metallogenic model to refine the six priority targets ready for drilling;
 - completing ground gravity surveys over the key IOCG targets to compliment Falcon gravity data collected in 2022 and the detailed aeromagnetic data already collected over the Project;

- a trial electromagnetic geophysical survey over the Shep target to refine drill targets over the sill like feature identified through previous exploration;
- utilising a multi-disciplinary approach including using the above remote sensing tools to detect haematite-rich, magnetite-rich or other basement conductors;
- first pass 1,200m diamond drilling program at the Tantor and Surus targets;
- appropriate follow up grid drilling at Surus and Tantor to improve understanding guided by the outcomes of the initial drill program; and
- first-pass RC and diamond core drilling programs at Snorky, Horton and Shep.

(ii) **Key exploration activities planned in year 2 will include:**

- systematic follow up RC and diamond drilling programs to test targets defined in year 1;
- detailed geophysics, geochemistry and characterisation studies as required to refine target models;
- initial physical / metallurgical characterisation testwork of any mineralised samples; and
- interpretation of new geophysical data and integration with new drilling geochemistry as it becomes available.

Although initial exploration will target IOCG-style copper mineralisation, the Company will also seek to explore for magmatic nickel and REE as a priority in subsequent programs. To a lesser extent and at a low priority level diamond exploration may be undertaken.

The Company proposes to fund its intended activities as outlined in the table below from the proceeds of the Offer. It should be noted that the budgets will be subject to modification on an ongoing basis depending on the results obtained from exploration undertaken. This will involve an ongoing assessment of the Webb Project and may lead to increased or decreased levels of expenditure on certain interests, reflecting a change in emphasis. Subject to the above, the following budget takes into account the proposed expenses over the 2 years post-Admission to complete initial exploration of the Tenements. As budgeted below, the Company's exploration expenditure will meet or exceed the expenditure requirements for each of the Claims (see the Solicitor's Report in Annexure C for further details):

Webb Project expenditure summary	Minimum Subscription (\$)			Maximum Subscription (\$)		
	Year 1 (,000)	Year 2 (,000)	Total (,000)	Year 1 (,000)	Year 2 (,000)	Total (,000)
Expert consultant advisors	50	30	80	50	30	80
Geological supervision	300	300	600	300	300	600
Geophysical consultants	50	50	100	50	50	100
Geophysical surveys (ground gravity, passive seismic and EM)	350	100	450	350	100	450
Diamond drilling	1,000	800	1,800	1,200	1,000	2,200
RC drilling	300	300	600	500	400	900
Field logistics	80	60	140	100	80	180
Laboratory costs	180	130	310	210	200	410
Heritage survey	50	50	100	50	50	100
Access/heritage payments	65	65	130	65	65	130
Tenement rents/rates	96	108	204	96	108	204
Tenement administration	25	25	50	25	25	50
Totals	2,546	2,018	4,564	2,996	2,408	5,404

The Company has sufficient access to the Tenements in order to undertake its proposed exploration program and satisfy the commitments test under Listing Rule 1.3.2(b).

3.6 Dividend policy

The Company does not expect to pay dividends in the near future as its focus will primarily be on growing the existing business.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.

4. Risk Factors

As with any share investment, there are risks involved. This Section identifies the major areas of risk associated with an investment in the Company, but should not be taken as an exhaustive list of the potential risk factors to which the Company and its Shareholders are exposed. Potential investors should read the entire Prospectus and consult their professional advisers before deciding whether to apply for Shares.

Any investment in the Company under this Prospectus should be considered highly speculative.

4.1 Risks specific to the Company and the industry

(a) Future capital requirements

The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Webb Project is successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash and the net proceeds of the Offer should be adequate to fund its business development activities, exploration program and other Company objectives in the short term as stated in this Prospectus.

In order to successfully develop the Webb Project and for production to commence, the Company will require further financing in the future, in addition to amounts raised pursuant to the Offer (particularly if only the Minimum Subscription is met). Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or Offer Price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities including resulting in the Tenements being subject to forfeiture, and could affect the Company's ability to continue as a going concern.

The Company may undertake additional offerings of Shares and of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

(b) Conditionality of Offer

The obligation of the Company to issue the Shares under the Offer is conditional on (among other things) ASX granting approval for Admission to the Official List. If this condition is not satisfied, the Company will not proceed with the Offer. Failure to complete the Offer may have a material adverse effect on the Company's financial position.

(c) Previous exploration and resource estimation risks

No reported exploration target, mineral resource or reserve has been defined on any of the Webb Project area.

Whilst the Company intends to undertake exploration activities with the aim of defining a resource, no assurances can be given that the exploration will result in the determination of a resource. Even if a resource is identified, no assurance can be provided that this can be economically extracted.

(d) Potential for dilution

On completion of the Offer and the subsequent issue of Shares pursuant to the Offer, the number of Shares in the Company will increase from 60,173,191 to 110,173,191 (based on Maximum Subscription). This means that on Admission the number of Shares on issue will be increased by up to approximately 83.1% of the number on issue as at the date of this Prospectus. On this basis, existing Shareholders should note that if they do not participate in the Offer (and even if they do), their holdings may be considerably diluted (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

(e) Title risks**(i) Beneficial and Legal Title**

The Company's beneficial interest in the Tenements (described in sections 4.1 and 10.1(a)(viii) of the Solicitor's Report) does not correspond to its registered legal interest in the Tenements (set out in Schedule 1 of the Solicitor's Report).

Unless and until the portion of the legal interest in the Tenements has been transferred to the Company, there is a risk that the Company will not be able to secure its remaining legal interest in the tenements, or that it may end up in dispute in relation to the transfer of the legal interest. The Company considers this risk to be low based on previous transfers of title from Meteoric.

The Company intends to take steps to transfer the remaining portion of its legal interest in the Tenements so that the legal, registered interest held by the Company in the Tenements is the same as the beneficial interest it holds under the Webb JV Agreement, as soon as possible.

(ii) Grant

Pending Tenements ELA80/5864 and ELA80/5956 have not been granted yet. Accordingly, there is a risk that these applications may not be granted in their entirety or only granted on conditions unacceptable to the Company or that such grant will be delayed.

In particular, ELA80/5956 was only recently applied for and remains subject to a 35 day objection period (closing on 18 September 2023) whereby a party may object to the grant of the tenement under the Mining Act. Should an objection be lodged, the objection will need to be resolved and withdrawn, which may delay the grant of ELA80/5956. Unless parallel processing is requested, after the 35 day Mining Act objection period (and depending on whether any objections are lodged) ELA80/5956 will be subject to a 4 month

native title advertising period, which may also further delay the grant of the tenement.

(iii) **General**

The future viability and profitability of the Company as a base and precious metals exploration company will depend on obtaining the grant of any mining tenements that are applications, or renewal of tenements upon the expiry of their current term. The renewal of the term of each permit or right of the Company is at the discretion of various authorities and governments and mineral right owners. If a permit is not renewed, the Company may suffer significant damage through loss of the opportunity to develop and discover base and precious metal deposits on that tenement.

Interests in all tenements in Australia are governed by the respective state legislation and are evidenced by the granting of licenses or leases. Each license or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in the tenements if license conditions are not met or if insufficient funds are available to meet expenditure commitments.

(f) **Renewal**

Under the Mining Act, exploration licences are granted for an initial term of five years and can be then renewed once for an additional five-year term, and thereafter for additional terms of two years. When applying to renew a mining tenement, sufficient grounds must be provided to warrant the need for a renewal for further terms. E80/4815 has been renewed for one additional 5 year term and is in its second term of grant.

If sufficient grounds cannot be provided for future renewals, these Tenements may expire at the end of the current term unless retention status is applied for (refer to section 5.1(e) of the Solicitor's Report for further details) or the Tenements are converted to a mining lease (refer to section 5.2(g) of the Solicitor's Report for further details).

(g) **Native title risks**

The existence of native title determinations and/or native title claims in relation to the land the subject of the Tenements may affect the Company's ability to obtain the grant of future tenure over the Tenements or in their vicinity.

The Tenements lie wholly (100%) within the registered Kiwirrkurra People native title determination area. Tjamu is the prescribed body corporate for the Kiwirrkurra People. The Company is party to the Tjamu Agreement in respect to the Kiwirrkurra People native title determination area (see below for further information).

The existence of native title claims over the area covered by the Tenements will not impact the rights and/or interests of the holder, provided that the Tenements have been validly granted in compliance with the Native Title Act. However, if any of the Tenements were not validly granted in compliance with the Native Title Act, this may have an adverse impact on the Company's activities.

The grant of any future tenure to the Company over areas that are covered by registered claims or determinations will likely require engagement with the relevant claimants or native title holders (as relevant) in accordance with the Native Title Act.

(h) Aboriginal Heritage risks

Certain Tenements are subject to Aboriginal cultural heritage places or landscapes within (being those Aboriginal cultural heritage places or landscapes on the 'ACH Directory'). For further information, please refer to section 8.4 of the Solicitor's Report.

However, there remains a risk that additional Aboriginal sites or places may exist on the land the subject of the Tenements. The existence of such sites may preclude or limit mining activities in certain areas of the Tenements or cause delays in the progression of the development of a mine.

(i) Access risk

All of the Tenements are located within the Aboriginal Reserves which require:

- (i) the consent of the Minister for Aboriginal Affairs to explore on the Aboriginal Reserves; and
- (ii) an entry permit to be granted pursuant to the AAPA Act in order to access and carry out exploration activities on the Aboriginal Reserves. This will generally require consultation with the affected native title claimants in the area.

The consent of the Minister for Aboriginal Affairs has been granted in respect of all the Tenements other than E80/5633 (tenement granted in January 2022) and Pending Tenements ELA80/5864 and ELA80/5956.

Pursuant to the Tjamu Agreement, the Company and Meteoric have obtained entry permits for exploration and exploration related activities in respect of each of the Tenements other than E80/5633 and Pending Tenements ELA80/5864 and ELA80/5956.

The Company anticipates that in respect to E80/5633 (and on their grant, Pending Tenements ELA80/5864 and ELA80/5956), the entry permit and consent to mine will be obtained following a deed of variation being entered in to in respect to the Tjamu Agreement to include E80/5633. Unless and until the Company enters into the deed of variation for the Tjamu Agreement and obtains the necessary consents to mine and entry permit for E80/5633 (and on their grant, Pending Tenements ELA80/5864 and ELA80/5956), the Company will be unable to access and/or commence exploration activities on that tenement. Under the Tjamu Agreement, Tjamu is required to assist the Company to obtain entry permits and consents to mine, as required.

The existence of the Aboriginal Reserves in the vicinity of the Tenements may also affect the Company's ability to secure the grant of, and access to, future tenure over the Tenements or in their vicinity.

The legal regime around access onto the Aboriginal Reserves is discussed in detail in section 9.1 of the Solicitor's Report.

(j) Joint venture risk

- (i) **Contractual Joint Venture risk**

The Company is currently party to the Webb JV Agreement, governing the exploration and development of the Company's key project. It may also become a party to further joint venture agreements in the future.

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any purpose.

While the Company may have contractual rights under the Webb Joint Venture and any future joint venture agreements, in the event of non-compliance, no assurance can be given that all contracts to which the Company is party will be fully performed by all contracting parties and there is no assurance that the Company will be successful in enforcing compliance with any contractual provision.

There is a risk that the Company's joint venture partner may default in their joint venture obligations and/or not act in the best interests of the joint venture. This may have an adverse effect on the interests and prospects of the Company.

(ii) Legal capacity of Joint Venture

The Webb Joint Venture is an unincorporated joint venture governed by the Webb JV Agreement and is not a legal entity capable of holding and/or exercising contractual rights and obligation in its own right.

There is a risk that this uncertainty may result in certain provisions of the Webb JV Agreement being unenforceable and/or result in disputes as to the interpretation of the Webb JV Agreement and the parties' respective rights and obligations under it.

(iii) Development risk under the Webb JV Agreement

Pursuant to the Webb JV Agreement, a decision to mine (being the commencement of mining operations on the Tenements) cannot proceed unless and until a unanimous decision is passed by the management committee of the Webb Joint Venture.

There are no deadlock provisions or sole risk provisions in the Webb JV Agreement and any of the joint venture parties entitled to vote at a management committee meeting, including a party holding a minority joint venture interest (being Meteoric), can therefore block a decision to mine and prevent the commencement of mining operations on the relevant tenement.

As a result, there is a risk that the Company may not be able to commence mining operations on the Tenements if and when it considers appropriate, or at all, unless there is unanimous agreement between all joint venture parties.

(k) New projects and acquisitions

Although the Company's immediate focus will be on the Webb Project, as with most exploration entities, it will pursue and assess other new business opportunities in the resource sector over time which complement its business. These new business

opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation.

The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to the Webb Project and new projects, which may result in the Company reallocating funds from the Webb Project and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

(l) **Liquidity Risk**

On Admission the Company expects to have 110,173,191 Securities on issue (based on the Maximum Subscription).

The Company expects approximately:

- (i) 45,116,667 Securities (comprising 21,700,001 Shares and 23,416,666 Options) to be subject to 24 months escrow in accordance with Chapter 9 of the Listing Rules;
- (ii) 15,846,183 Securities (comprising 11,096,183 Shares and 4,750,000 Options) subject to 12 months escrow in accordance with Chapter 9 of the Listing Rules; and
- (iii) 12,587,667 Shares to be subject to up to six months voluntary escrow.

Based on the Minimum Subscription, this would in aggregate be equal to approximately 50.08% of the Company's issued share capital on a fully diluted basis (assuming all Options are issued and exercised and that no other Securities are issued) being escrowed.

This creates a liquidity risk as a large portion of issued capital may not be able to be freely tradable for a period of time. The ability of an investor in the Company to sell their Shares on the ASX will depend on the turnover or liquidity of the Shares at the time of sale. Therefore, investors may not be able to sell their Shares at the time, in the volumes or at the price they desire.

4.2 Industry Specific

(a) **Exploration and development**

Mineral exploration and development is a high risk undertaking. There can be no assurances that exploration of the Webb Project or any other exploration properties that may be acquired in the future will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal

weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to the Webb Project and obtaining all required approvals for its activities. In the event that exploration programs are unsuccessful this could lead to a diminution in the value of the Webb Project, a reduction in the cash reserves of the Company and possible relinquishment of part or all of the Webb Project.

Investors are cautioned that the Tenements being in close proximity to other occurrences of mineralisation is no guarantee that the Tenements will be prospective for an economic reserve.

(b) Operating risk

The operations of the Company may be affected by various factors, including failure to locate or identify base or precious metal deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown; adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Unless and until the Company is able to realise value from the Webb Project, it is likely to incur ongoing operating losses.

(c) Metallurgy

Metal and/or mineral recoveries are dependent upon the metallurgical process that is required to liberate economic minerals and produce a saleable product and by nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- (ii) developing an economic process route to produce a metal and/or concentrate; and
- (iii) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

(d) Minerals and currency price volatility

The Company's ability to proceed with the development of the Webb Project, or any other projects acquired in the future, and benefit from any future mining operations will depend on market factors, some of which may be beyond its control.

The world market for minerals is subject to many variables and may fluctuate markedly. These variables include world demand for minerals that may be mined commercially in the future from the Company's project areas, technological advancements, forward selling activities and production cost levels in major mineral-producing regions. Mineral prices are also affected by macroeconomic factors such as general global economic conditions and expectations regarding inflation and

interest rates. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency. As a result, the Company is exposed to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets, which could have a material effect on the Company's operations, financial position (including revenue and profitability) and performance. The Company may undertake measures, where deemed necessary by the Board to mitigate such risks.

(e) **Payment obligations**

Pursuant to the licences comprising the Company's projects, the Company will become subject to payment and other obligations. In particular, licence holders are required to expend the funds necessary to meet the minimum work commitments attaching to the Tenements. Failure to meet these work commitments may render the licence subject to forfeiture or result in the holders being liable for fees. Further, if any contractual obligations are not complied with when due, in addition to any other remedies that may be available to other parties, this could result in dilution or forfeiture of the Company's interest in the Webb Project.

(f) **Third party risks**

Under State, Territory and Commonwealth legislation, the Company may be required to obtain the consent of and pay compensation to the holders of third party interests which overlay areas within the tenements or future tenements granted to the Company, including native title claims, Aboriginal heritage sites and pastoral leases, prior to accessing or commencing any exploration or mining activities on the affected areas within the tenements. Any delay in obtaining these consents may impact on the Company's ability to carry out exploration activities or mining within the affected areas or future tenements granted to the Company.

Given that the activities contemplated are in close proximity to and in areas that have already been actively explored, the Directors consider the risk of any impediments with respect to native title, pastoralist activities and any other heritage restrictions to be low.

However, the Company acknowledges that exploration success may result in extended work programs on the tenements that may require further third party consents with respect to the native title and Aboriginal heritage processes and pastoralist activities. As part of the process of submitting a program of works for any ground disturbing activities, pastoralists and other third parties will be notified and the Company will work to minimise disturbance in relation to the proposed activities in accordance with applicable law. The Directors acknowledge that delays may be caused to commencement of exploration programs.

(g) **Environmental Risk**

The operations and proposed activities of the Company are subject to state and federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. It is the Company's intention to conduct its activities to the highest

standard of environmental obligation, including compliance with all environmental laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability.

Government authorities may, from time to time, review the environmental bonds that are placed on permits. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

(h) **Reliance on key personnel**

The Company is reliant on a number of key personnel and consultants, including members of the Board. The loss of one or more of these key contributors could have an adverse impact on the business of the Company.

It may be particularly difficult for the Company to attract and retain suitably qualified and experienced people given the current high demand in the industry and relatively small size of the Company, compared with other industry participants.

(i) **Conflicts of interest**

Certain Directors are also directors and officers of other companies engaged in mineral exploration and development and mineral property acquisitions. Accordingly, mineral exploration opportunities or prospects of which these Directors become aware may not necessarily be made available to the Company in the first instance. Although these Directors have been advised of their fiduciary duties to the situations that could arise in which their obligations to, or interests in, the Company, there exists actual and potential conflicts of interest among these persons.

4.3 General Risks

(a) **General economic climate**

General economic conditions, movements in interest and inflation rates, the prevailing global commodity prices and currency exchange rates may have an adverse effect on

the Company's exploration, development and production activities, as well as on its ability to fund those activities.

As with any exploration or mining project, the economics are sensitive to metal and commodity prices. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for minerals, technological advances, forward selling activities and other macro-economic factors. These prices may fluctuate to a level where the proposed mining operations are not profitable. Should the Company achieve success leading to mineral production, the revenue it will derive through the sale of commodities also exposes potential income of the Company to commodity price and exchange rate risks.

(b) **Market conditions**

The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular.

Further, share market conditions may affect the value of the Company's quoted Shares regardless of the Company's performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Securities investments**

Applicants should be aware that there are risks associated with any securities investment. The prices at which the Company's Shares trade may be above or below the Offer Price and may fluctuate in response to a number of factors. Further, the stock market is prone to price and volume fluctuations. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the Shares, regardless of the Company's operational performance.

(d) **Force majeure**

Events may occur within or outside Australia that could impact upon the global, Australian and other local economies, the operations of the Company and the price of the Shares. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, pandemic, floods, extreme weather, water contamination, earthquakes, labour strikes, war, natural disasters, outbreaks of disease, quarantine restrictions or other man-made or natural events or occurrences that can have an adverse effect on the demand for the Company's products and its ability to conduct business.

In most cases, these risks cannot be insured against and when they are insurable, there is no guarantee that insurance claims will be made in all circumstances or that available insurance proceeds will cover every aspect of loss or damage.

(e) **Government and legal risk**

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to conduct its activities.

The Company is not aware of any reviews or changes that would affect the Webb Project. However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's development plans or its rights and obligations in respect of its project. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

(f) **Insurance risks**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

(g) **Litigation risk**

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

The Company is in receipt of an allegation from a former director of the Company in relation to a claim for remuneration allegedly owed in the form of cash and options with an aggregate value of approximately \$500,000 (consisting of a cash amount of \$100,000 and approximately \$400,000 in options which is based off a Black Scholes valuation undertaken by the Company at the date of this Prospectus). The Company disputes these amounts are owed and confirms that (at the date of this Prospectus) no legal proceedings have been commenced in respect of the allegation. In the event that proceedings are commenced, the Company intends to strenuously defend the proceedings.

(h) **Taxation**

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Shares under this Prospectus.

(i) **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account by the Company. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(j) **Climate change risks**

Climate change is a risk the Company has considered, particularly related to its operations in the mining industry. The climate change risks particularly attributable to the Company include the following:

- (i) The emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability.

While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences.

- (ii) Climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

(k) **Infectious diseases**

The outbreak of the coronavirus disease (COVID-19) has had a material effect on global economic markets. Future outbreaks of COVID-19 or other unforeseen infectious diseases has the potential to affect economic markets in the future. The Company's Share price may be adversely affected by the economic uncertainty caused by an outbreak of infectious diseases. Further measures to limit the transmission of any such infectious disease implemented by governments around the world (such as travel bans and quarantining) may adversely impact the Company's operations and may interrupt the Company carrying out its contractual obligations or cause disruptions to supply chains. As at the date of this Prospectus, the Company is not aware of any COVID-19 (nor any other infectious disease) related interruptions that would affect its ability to undertake the proposed activities at the Projects.

4.4 **Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

5. Financial Information

5.1 Introduction

The financial information contained in this Section 5 includes:

- (a) the audited historical Consolidated Statements of Financial Position of CGN Resources Limited and the entities it controls (**Group**) as at 30 June 2021, 30 June 2022 and 30 June 2023 and audited Consolidated historical Statements of Profit or Loss and other Comprehensive Income and Statement of Cash Flows of the Group for the years then ended (referred to as **the Historical Financial Information**); together with
- (b) the Consolidated Pro Forma Statement of Financial Position of the Group as at 30 June 2023 and supporting notes which include the Consolidated Pro Forma adjustments (**Pro Forma Financial Information**);

(together referred to as the **Financial Information**).

The Directors are responsible for the preparation and inclusion of the Financial Information in the Prospectus. HLB Mann Judd has prepared an Independent Limited Assurance Report in respect of the Financial Information, as set out in Annexure A. Investors should note the scope and limitations of the Independent Limited Assurance Report.

All amounts disclosed in this Section are presented in Australian dollars.

5.2 Basis of preparation of the Historical Financial Information

The Historical Financial Information included in this Section 5 has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards (including the Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board and the Corporations Act. The Historical Financial Information is presented in an abbreviated form insofar as it does not include all the presentation, disclosures, statements or comparative information as required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act. Significant accounting policies applied to the Financial Information are set out in Section 5.9 under the heading 'Significant Accounting Policies'.

5.3 Basis of preparation of the Consolidated Pro Forma Financial Information

The Pro Forma Financial Information included in this Section 5 has been prepared for the purposes of inclusion in this Prospectus. The Pro Forma Financial Information is based on the audited historical Statement of Financial Position of the Group as at 30 June 2023 and adjusting for the impacts of the Offer and other Pro Forma adjustments.

The Pro Forma Financial Information does not reflect the actual financial results of the Group for the period indicated. The Directors believe that it provides useful information as it illustrates to investors the financial position of the Group immediately after the Offer is completed and related Pro Forma adjustments are made.

For the purposes of the Pro Forma Financial Information, the Group comprises the Company, and GeoMinerals Pty Ltd.

The information set out in this Section 5 and the Group's selected Financial Information should be read together with:

- (a) the Risk Factors described in Section 4;
- (b) the Use of Funds described in Section 2.5;
- (c) the Indicative Capital Structure described in Section 2.6;
- (d) the Independent Limited Assurance Report on the Historical Financial Information set out in Annexure A; and
- (e) the other information contained in this Prospectus.

Investors should also note that historical results are not a guarantee of future performance.

5.4 Historical Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Year ended 30 June 2021	Year ended 30 June 2022	Year ended 30 June 2023
	Audited \$	Audited \$	Audited \$
Revenue	22	-	24
Administration expense	(21,155)	(141,307)	(121,510)
Other	(5,137)	(20,224)	(734)
Prospectus expenses	-	(85,135)	-
Exploration expenses	(170,125)	(484,367)	(321,805)
Loss before tax	(196,394)	(731,033)	(444,025)
Income tax expense	-	-	-
Net loss for the year	(196,394)	(731,033)	(444,025)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	(196,394)	(731,033)	(444,025)

5.5 Historical Consolidated Statements of Cash Flows

	Year ended 30 June 2021	Year ended 30 June 2022	Year ended 30 June 2023
	Audited \$	Audited \$	Audited \$
Cash flows from operating activities			
Interest received	22	-	24
Payments to suppliers and employees	(221,253)	(547,529)	(518,451)
Net cash (used in) operating activities	(221,231)	(547,529)	(518,427)
Cash flows from investing activities	-	-	-
Net cash (used in) investing activities	-	-	-
Cash flows from financing activities			
Proceeds from issue of Shares	93,000	685,000	576,130
Net cash provided by financing activities	93,000	685,000	576,130
Net (decrease)/increase in cash held	(128,231)	137,471	57,703
Cash and cash equivalents at beginning of the year	148,562	20,331	157,802
Cash and cash equivalents at end of the year	20,331	157,802	215,505

5.6 Historical Consolidated Statements of Financial Position

	30 June 2021	30 June 2022	30 June 2023
	Audited	Audited	Audited
	\$	\$	\$
Current assets			
Cash and cash equivalents	20,331	157,802	215,505
Trade and other receivables	5,458	142,797	5,023
Total current assets	25,789	300,599	220,528
Non-current assets			
Plant and Equipment	1,621	734	-
Total non-current assets	1,621	734	-
Total assets	27,410	301,333	220,528
Current liabilities			
Trade and other payables	17,649	321,170	108,260
Total current liabilities	17,649	321,170	108,260
Total liabilities	17,649	321,170	108,260
Net assets/liabilities	9,761	(19,837)	112,268
Equity			
Issued capital	4,757,510	5,442,510	6,018,640
Accumulated losses	(4,747,749)	(5,462,347)	(5,906,372)
Total equity/(net deficiency)	9,761	(19,837)	112,268

5.7 Pro Forma Statement of Financial Position

The table below sets out the Pro Forma adjustments that have been incorporated into the Pro Forma Statement of Financial Position as at 30 June 2023.

The Pro Forma adjustments reflect the financial impact of the Offer and other transactions as if they had occurred at 30 June 2023.

The Pro Forma Statement of Financial Position is provided for illustrative purposes only and is not represented as necessarily indicative of the Group's financial position.

	Notes	Audited as at 30 June 2023	Pro Forma Adjustments (Minimum)	Pro Forma 30 June 2023 (Minimum)	Pro Forma Adjustments (Maximum)	Pro Forma 30 June 2023 (Maximum)
		\$	\$	\$	\$	\$
<u>Current assets</u>						
Cash and cash equivalents	5.10	215,505	7,983,000	8,198,505	9,863,000	10,078,505
Trade and other receivables		5,023	-	5,023	-	5,023
Total current assets		220,528	7,983,000	8,203,528	9,863,000	10,083,528
<u>Non-current assets</u>						
Exploration and evaluation assets		-	-	-	-	-
Total non-current assets		-	-	-	-	-
Total assets		220,528	7,983,000	8,203,528	9,863,000	10,083,528
<u>Current liabilities</u>						
Trade and other payables		108,260	-	108,260	-	108,260
Total current liabilities		108,260	-	108,260	-	108,260
Total liabilities		108,260	-	108,260	-	108,260
Net assets		112,268	7,983,000	8,095,268	9,863,000	9,975,268
<u>Equity</u>						
Issued capital	5.11	6,018,640	7,903,480	13,922,120	9,783,480	15,802,120
Reserves	5.12	-	1,351,860	1,351,860	1,351,860	1,351,860
Accumulated losses	5.13	(5,906,372)	(1,272,340)	(7,178,712)	(1,272,340)	(7,178,712)
Total equity		112,268	7,983,000	8,095,268	9,863,000	9,975,268

5.8 Pro Forma adjustments

- (a) The 31 July 2023 issue by the Company of further seed capital of 16,000,000 Shares at \$0.05 each, together with 8,000,000 attaching Options, with proceeds of \$800,000 having been received.
- (b) The payment (and expensing) of administration and exploration expenditure post 30 June 2023 and up to 18 August 2023 of \$87,000.
- (c) The issue by the Company of 40,000,000 Shares at \$0.20 each raising \$8,000,000 (before the expenses of the Offer) from the initial public offering (Minimum Subscription); or the

issue by the Company of 50,000,000 Shares at \$0.20 each raising \$10,000,000 (before the expenses of the Offer) from the initial public offering (Maximum Subscription).

- (d) The recognition against issued capital of the cash component of the Joint Lead Managers' fee of \$530,000 (exclusive of GST) (Minimum Subscription); or \$650,000 (exclusive of GST) (Maximum Subscription).
- (e) The write-off to profit and loss of the other cash expenses of the Offer of \$200,000 (at both the Minimum Subscription and Maximum Subscription).
- (f) The issue of 4,000,000 Options to the Joint Lead Managers exercisable at \$0.25 each and expiring 3 years from the date of Admission. The total value of these Options of \$366,520 has been accounted for as a capital raising cost and applied against issued capital.
- (g) The issue of 4,000,000 Options to the Directors and management exercisable at \$0.25 each and expiring 3 years from the date of Admission. The total value of these Options of \$366,520 has been expensed.
- (h) The issue of 3,000,000 Options to the Directors and management exercisable at \$0.30 each and expiring 3 years from the date of Admission. The total value of these Options of \$246,720 has been expensed.
- (i) The issue of 5,000,000 Options to the Directors and management exercisable at \$0.35 each and expiring 3 years from the date of Admission. The total value of these Options of \$372,100 has been expensed.

5.9 Significant accounting policies

- (a) Basis of preparation

The Financial Information has been prepared on an accruals basis and is based on historical costs. Cost is based on the fair values of the consideration given in exchange for assets. The Financial Information has also been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board.

The Financial Information is presented in an abbreviated form insofar as it does not include all the presentation, disclosures, statements or comparative information as required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

- (b) Principles of consolidation

The Pro Forma Financial Information is of the Group and incorporates the assets and liabilities of all subsidiaries of the Company and the results of all subsidiaries. In these financial statements, CGN Resources Limited and its subsidiaries are together referred to as the **Group**.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction

provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(c) Income tax

Current income tax expense charged to the statement of profit or loss and other comprehensive income is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(d) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

(e) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand and deposits held at call with financial institutions which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, other short term highly liquid investments with original maturities of three months or less and bank overdrafts.

(f) Exploration and evaluation expenditure

All exploration and evaluation expenditure including the acquisition of tenements is expensed to the statement of profit or loss and other comprehensive Income as incurred.

(g) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(h) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(i) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at

the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(j) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(k) Financial Instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63

Classification and Subsequent Measurement

Financial liabilities

Financial instruments are subsequently measured at:

- amortised cost; or

- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship are recognised in profit or loss.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair values (and if not designated as at fair value through profit or loss and do not arise from a transfer of a financial asset) and subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with AASB 9.3.25.3; and
- the amount initially recognised less the accumulative amount of income recognised in accordance with the revenue recognition policies.

Financial assets

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the Group was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading and not a contingent consideration recognised by an acquirer in a business combination to which AASB 3:Business Combinations applies, the Group made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss. Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Group’s accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities:

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial

liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets:

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (ie the Company has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

(l) Going Concern

The Financial Information has been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

(m) Trade and other payables

Trade and other payables are initially measured at fair value and subsequently measured at cost using the effective interest method.

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(n) Share-based payments

Equity settled transactions:

The Group provides benefits to employees (including senior executives) in the form of – share-based payments, whereby employees render services in exchange for shares or rights over shares (equity settled transactions).

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black & Scholes or Hoadley Barrier¹ option-pricing models. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of CGN Resources Limited. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of profit or loss and other comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, measured at the modification date.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(o) Earnings Per Share

Basic Earnings Per Share

Basic earnings per Share is calculated by dividing the profit attributable to the owners of CGN Resources Limited, excluding any costs of servicing equity other than Shares, by the weighted average number of Shares outstanding during the financial period, adjusted for bonus elements in Shares issued during the financial period.

Diluted Earnings Per Share

Diluted earnings per Share adjusts the figures used in the determination of basic earnings per Share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential Shares and the weighted average number of Shares assumed to have been issued for no consideration in relation to dilutive potential Shares.

(p) Goods and Services Tax ("GST") and Other Similar Taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

5.10 Cash and cash equivalents

	Historical (Audited)	Pro Forma Adjustments (Minimum)	Pro Forma (Minimum)	Pro Forma Adjustments (Maximum)	Pro Forma (Maximum)
Note	\$	\$	\$	\$	\$
Audited cash and cash equivalents as at 30 June 2023	215,505	-	215,505	-	215,505
<i>Pro Forma adjustments:</i>					
Cash payments for administration and exploration post 30 June 2023	-	(87,000)	(87,000)	(87,000)	(87,000)
5.8(b)					
Seed capital issue (31 July 2023)	-	800,000	800,000	800,000	800,000
5.8(a)					
Shares issued under the Offer	-	8,000,000	8,000,000	10,000,000	10,000,000
5.8(c)					
Expenses of the Offer – Joint Lead Managers fee	-	(530,000)	(530,000)	(650,000)	(650,000)
5.8(d)					
Expenses of the Offer - other	-	(200,000)	(200,000)	(200,000)	(200,000)
5.8(e)					
Total Consolidated Pro Forma adjustments	215,505	7,983,000	8,198,505	9,863,000	10,078,505
Consolidated Pro Forma cash and cash equivalents	215,505	7,983,000	8,198,505	9,863,000	10,078,505

5.11 Issued capital

	Note	Number of Shares	\$
Audited issued capital as at 30 June 2023		44,173,191	6,018,640
<i>Pro Forma adjustments (Minimum):</i>			
Seed capital issue (31 July 2023)	5.8(a)	16,000,000	800,000
Shares issued under the Offer	5.8(c)	40,000,000	8,000,000
Expenses of the Offer – Joint Lead Managers (cash)	5.8(d)	-	(530,000)
Options issued to Joint Lead Managers	5.8(f)	-	(366,520)
Total pro forma adjustments (Minimum)		56,000,000	7,903,480
Pro forma issued capital (Minimum)		100,173,191	13,922,120
<i>Pro Forma adjustments (Maximum):</i>			
Seed capital issue (31 July 2023)	5.8(a)	16,000,000	800,000
Shares issued under the Offer	5.8(c)	50,000,000	10,000,000
Expenses of the Offer – Joint Lead Managers (cash)	5.8(d)	-	(650,000)
Options issued to Joint Lead Managers	5.8(f)	-	(366,520)
Total Consolidated Pro Forma adjustments (Maximum)		66,000,000	9,783,480
Pro Forma issued capital (Maximum)		110,173,191	15,802,120

5.12 Reserves

	Note	\$
i. Share-based payment reserve		
Audited reserves as 30 June 2023		-
<i>Pro Forma adjustments (Minimum and Maximum):</i>		
Value of Options issued to the Joint Lead Managers	5.8(f)	366,520
Value of Options issued to the Directors	5.8(g,h,i)	985,340
Total Consolidated Pro Forma adjustments (Minimum and Maximum)		1,351,860
Consolidated Pro Forma reserves (Minimum and Maximum)		1,351,860

ii. Valuation of options issued to the Joint Lead Managers and Directors

The Company will issue 4,000,000 Options to the Joint Lead Managers in accordance with the Joint Lead Manager Mandate (capital raising cost applied against capital raised), as well as 12,000,000 Options to Directors and management as part of their remuneration (expensed). These Options are exercisable at the exercises prices below and expire 3 years from the date of Admission. They have been valued using a Black & Scholes option pricing model using the following assumptions:

	Tranche 1 Director Options and JLM Options	Tranche 2 Director Options	Tranche 3 Director Options
Underlying share price	\$0.20	\$0.20	\$0.20
Exercise price	\$0.25	\$0.30	\$0.35
Expected volatility	75%	75%	75%
Life of rights	3 years	3 years	3 years
Risk free rate	4.1%	4.1%	4.1%
Fair value per right	\$0.09163	\$0.08224	\$0.07442
Total value – Joint Lead Manager Options	\$366,520	-	-
Total value – Director and management Options	\$366,520	\$246,720	\$372,100

5.13 Accumulated losses

	Note	\$
Audited accumulated losses as 30 June 2023		(5,906,372)
<i>Consolidated Pro Forma adjustments (Minimum):</i>		
Exploration costs July and August 2023		(87,000)
Expenses of the Offer expensed	5.8(e)	(200,000)
Value of Director Options	5.8(g,h,i)	(985,340)
Total Consolidated Pro Forma adjustments (Minimum)		<u>(1,272,340)</u>
Consolidated Pro Forma accumulated losses (Minimum)		<u><u>(7,178,712)</u></u>
<i>Consolidated Pro Forma adjustments (Maximum):</i>		
Exploration costs July and August 2023		(87,000)
Exploration costs July and August 2023		(87,000)
Expenses of the Offer expensed	5.8(e)	(200,000)
Value of Director Options	5.8(g,h,i)	(985,340)
Total Consolidated Pro Forma adjustments (Maximum)		<u>(1,272,340)</u>
Consolidated Pro Forma accumulated losses (Maximum)		<u><u>(7,178,712)</u></u>

5.14 Options on issue

There were 4,166,666 Options on issue at 30 June 2023, exercisable at \$0.25 each on or before 21 December 2024.

A total of 8,000,000 Options were issued as free attaching Options to the seed capital raising on 31 July 2023. These Options are exercisable at \$0.25 and expire 31 July 2026.

As noted in Section 5.12, 4,000,000 Options will be issued to the Joint Lead Managers in accordance with the Joint Lead Manager Mandate, and 12,000,000 Options will be issued to the Directors and management as part of their remuneration. These Options are exercisable at \$0.25, \$0.30 and \$0.35 and expire three years from the date of Admission.

6. Board, Management and Corporate Governance

6.1 Board of Directors

As at the Prospectus Date, the Board comprises of:

- (a) Darryl Harris – Non-Executive Chair;
- (b) Daniel (Stan) Wholley – Managing Director and Chief Executive Officer; and
- (c) Grant Mooney – Non-Executive Director and Company Secretary.

6.2 Directors' Profiles

The names and details of the Directors in office at the Prospectus Date are:

(a) **Darryl Harris – Non-Executive Chair**

Mr Harris was appointed as a Non-Executive Director on 12 April 2022 and Non-Executive Chair on 4 July 2023.

Mr Harris has over 40 years' experience in both primary and secondary metallurgy as well as management experience in coordinating engineering / commercial groups for major projects, and the management of listed mining companies. Specific metallurgical experience includes from feasibility studies through to the project development for a variety of gold, ferrous, diamond and base metal projects. Experience includes the evaluation and development of potential project opportunities for mineral recovery and chemical projects and the coordination of major studies for large global projects including various copper beneficiation and hydro-metallurgical and pyro-metallurgical developments.

Mr Harris is currently contracted as Head of Global Project Solutions for Metso Outotec Australia Ltd. Additional previous corporate experience includes roles as a non-executive technical director of Indo Mines Ltd (ASX: IDO) and Consolidated Tin Mines (ASX:CSD) (both delisted) and Managing Director of Beacon Minerals Ltd (ASX:BCN)..

The Board considers Mr Harris to be an independent Director and is free from any business or other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of the person's judgement.

(b) **Daniel (Stan) Wholley – Managing Director and Chief Executive Officer**

Mr Daniel (Stan) Wholley was appointed as the Managing Director and Chief Executive Officer on 30 June 2023.

Mr Wholley is geologist, entrepreneur, consultant, executive manager and director with 30 years' experience across the entire value chain of the mineral industry.

Mr Wholley has delivered exploration, resource development and mining projects targeting iron ore, base metals, gold and uranium in more than 15 countries. As a consultant he has provided strategic advice to boards from junior explorers through to major mineral houses listed in Australia, Canada and London, and has been a company Director in Canada, Ireland, UK, Indonesia and Australia.

Most recently Stan has acted as a company director for several private resource development companies seeking to develop mineral projects in Australia. Prior to that

he was a Director and Executive Operations Manager at leading global geological consultancy CSA Global. During his 15 years with the company, the Board and Management oversaw the expansion from a single office in Perth to 12 global offices.

The Board does not consider Mr Wholley to be an independent Director by virtue of his executive role.

(c) **Grant Mooney – Non-Executive Director and Company Secretary**

Mr Mooney is the principal of Perth-based corporate advisory firm Mooney & Partners, specialising in corporate compliance administration to public companies. Mr Mooney has gained extensive experience in the areas of corporate and project management since commencing Mooney & Partners in 1999. His experience extends to advice on capital raisings, mergers and acquisitions and corporate governance. Currently, Mr Mooney serves as a Director to several ASX listed companies across a variety of industries including technology and resources.

He is a Director of Gibb River Diamonds Limited (ASX: GIB), appointed 14 October 2008, Accelerate Resources Limited (ASX: AX8), appointed 1 July 2017, Talga Group Limited (ASX: TLG), appointed 20 February 2014, Aurora Labs Limited (ASX: A3D), appointed 25 March 2020, Carnegie Clean Energy Limited (ASX: CCE), appointed 19 February 2008, and Riedel Resources Limited (ASX: RIE), appointed 31 October 2018. Mr Mooney is also a member of Chartered Accountants Australia and New Zealand.

The Board considers Mr Mooney to be an independent Director and is free from any business or other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of the person's judgement.

6.3 Interests of Directors

Except as disclosed in this Prospectus and as follows, no Director of the Company (or entity in which they are a partner or director) has, or has had in the two years before the Prospectus Date, any interests in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- (c) the Offer, and

no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

- (d) any Director to induce him or her to become, or to qualify as, a Director; or
- (e) any Director of the Company for services which he or she (or an entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Offer.

6.4 Security holdings of Directors and key management personnel

The Directors, key management personnel and their related entities have the following interests in Securities as at the Prospectus Date:

Director and key management personnel	Shares	% ¹	Options ²
Darryl Harris ³	1,000,000	1.7	5,000,000 ⁽⁴⁾
Daniel (Stan) Wholley ⁵	3,250,000	5.4	6,500,000 ⁽⁶⁾
Grant Mooney ⁷	1,475,000	2.5	2,000,000
Ashley Martin (former Director) ⁸	2,250,000	3.7	-

Notes:

1. Based on 60,173,191 Shares being on issue as at the Prospectus Date.
2. See Sections 8.2 and 8.3 for the terms and conditions of the Class 2 Options and Director Options, respectively.
3. The Securities in which Mr Harris has a relevant interest are as follows:
 - (a) 1,000,000 Shares and 500,000 Options are held indirectly via Bremworth & Associates Pty Ltd <Bremworth Super Fund A/C> (being an entity controlled by Mr Harris); and
 - (b) 4,500,000 Options are held indirectly via Bremworth & Associates Pty Ltd (being an entity controlled by Mr Harris).
4. Consisting of:
 - (a) 1,000,000 Tranche 1 Director Options;
 - (b) 1,500,000 Tranche 2 Director Options;
 - (c) 2,000,000 Tranche 3 Director Options; and
 - (d) 500,000 Class 2 Options.
5. Held by Jeanette Wholley as trustee of the Wholley Family Trust.
6. Consisting of:
 - (a) 1,500,000 Tranche 1 Director Options;
 - (b) 1,500,000 Tranche 2 Director Options;
 - (c) 3,000,000 Tranche 3 Director Options; and
 - (d) 500,000 Class 2 Options.
7. The Securities in which Mr Mooney has a relevant interest are as follows:
 - (a) 875,000 Shares and 250,000 Class 2 Options held directly;
 - (b) 83,333 Shares held by Samantha Jane Mooney; and
 - (c) 516,667 Shares, 250,000 Class 2 Options and 1,500,000 Tranche 1 Director Options held indirectly via Ocean Flyers Pty Ltd <The S&G Mooney Super Fund A/C> (being an entity controlled by Mr Mooney).
8. For completeness, the Company notes that Mr Martin was removed as a Director on 27 July 2023 following Shareholders resolving at a general meeting to remove Mr Martin pursuant to section 203D of the Corporations Act. Mr Martin is therefore a related party of the Company due to being a Director within the 6 months prior to the date of this Prospectus. Mr Martin's Shares are held directly.

Based on the intentions of the Directors at the Prospectus Date in relation to the Offer, it is expected that the Directors and their related entities will have the following interests in Securities on Admission:

Director and key management personnel	Shares	% ¹ (Minimum Subscription)	% ² (Maximum Subscription)	Options
Darryl Harris ³	1,000,000	1.0	0.9	5,000,000 ⁴
Daniel (Stan) Wholley ⁵	3,250,000	3.3	3.0	6,500,000 ⁶
Grant Mooney ⁷	1,575,000	1.6	1.4	2,000,000
Ashley Martin ⁸	2,250,000	2.2	2.0	-

Notes:

- Based on 100,173,191 Shares being on issue as at the date of Admission (based on the Minimum Subscription) and assumes no further Shares are issued or Options are exercised.
- Based on 110,173,191 Shares being on issue as at the date of Admission (based on the Maximum Subscription) and assumes no further Shares are issued or Options are exercised.
- The Securities in which Mr Harris has a relevant interest are as follows:
 - 1,000,000 Shares and 500,000 Options are held indirectly via Bremworth & Associates Pty Ltd <Bremworth Super Fund A/C> (being an entity controlled by Mr Harris); and
 - 4,500,000 Options are held indirectly via Bremworth & Associates Pty Ltd (being an entity controlled by Mr Harris).
- Consisting of:
 - 1,000,000 Tranche 1 Director Options;
 - 1,500,000 Tranche 2 Director Options;
 - 2,000,000 Tranche 3 Director Options; and
 - 500,000 Class 2 Options.
- Held by Jeanette Wholley as trustee of the Wholley Family Trust.
- Consisting of:
 - 1,500,000 Tranche 1 Director Options;
 - 1,500,000 Tranche 2 Director Options;
 - 3,000,000 Tranche 3 Director Options; and
 - 500,000 Class 2 Options.

Mr Wholley intends to subscribe for up to 100,000 Shares under the Offer.
- The Securities in which Mr Mooney has a relevant interest are as follows:
 - 875,000 Shares and 250,000 Class 2 Options held directly;
 - 83,333 Shares held by Samantha Jane Mooney; and
 - 516,667 Shares, 250,000 Class 2 Options and 1,500,000 Tranche 1 Director Options held indirectly via Ocean Flyers Pty Ltd <The S&G Mooney Super Fund A/C> (being an entity controlled by Mr Mooney).

Mr Mooney intends to subscribe for up to 100,000 Shares under the Offer.

8. For completeness, the Company notes that Mr Martin was removed as a Director on 27 July 2023 following Shareholders resolving at a general meeting to remove Mr Martin pursuant to section 203D of the Corporations Act. Mr Martin is therefore a related party of the Company due to being a Director within the 6 months prior to the date of this Prospectus. Mr Martin's Shares are held directly.

6.5 Disclosure of Directors

No Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director or which is relevant to an investor's decision as to whether to subscribe for Shares. Other than as outlined in the paragraph below, no Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer, or within a 12 month period after they ceased to be an officer.

Grant Mooney is a Non-Executive Director of Carnegie Clean Energy Limited (ASX: CCE) (**Carnegie**) which appointed voluntary administrators on 14 March 2019. Carnegie entered a Deed of Company Arrangement ('DoCA') with Mooney & Partners Pty Ltd (an entity controlled by Mr Mooney) and Asymmetric Investment Management on 13 May 2019 and was reinstated to official quotation on Thursday, 31 October 2019 after completing a recapitalisation.

6.6 Remuneration of Directors

The Constitution provides that the Company may remunerate the Directors. The remuneration will, subject to any resolution of a general meeting, be fixed by the Directors. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is currently set at \$400,000 per annum. The remuneration of the Executive Directors will be determined by the Board.

The Company has entered into an executive services agreement with Daniel (Stan) Wholley as well as a letter of appointment with Darryl Harris and Grant Mooney as set out in Section 7.4.

The Directors have received the following remuneration in the 2023 and 2024 financial years (as at the Prospectus Date).

Director	Previous Financial Year ended 30 June 2023 ¹	Current Financial Year ending 30 June 2024 ¹
Darryl Harris	\$0	\$0
Daniel (Stan) Wholley ²	\$47,600	\$20,000
Grant Mooney ³	\$0	\$0
Ashley Martin ⁴ (Former Director)	\$55,000	\$0

Notes:

1. Amounts are exclusive of GST and superannuation (as applicable).
2. Mr Wholley is accruing certain fees for services as Managing Director and CEO which is expected to be approximately \$39,000 (excluding GST) as at the date of Admission and will be paid out of funds raised under the Offer post Admission.
3. Mr Mooney's stated remuneration relates to his position as a Non-Executive Director. The Company paid Mooney & Partners (an entity controlled by Mr Mooney) \$45,000 (exclusive of GST) in FY2023 and \$20,000 in FY2024 (as at the Prospectus Date) for advisory and company secretarial services.
4. Mr Martin was removed as a Director on 27 July 2023 and is therefore a related party of the Company due to being a Director within the 6 months prior to the date of this Prospectus.

6.7 Related party transactions

The Company has entered into the following related party transactions on arms' length terms:

- (a) executive services agreement with Daniel (Stan) Wholley (refer to Section 7.4 for details);
- (b) contract for company secretarial services with Mooney & Partners Pty Ltd, a company related to director Grant Mooney (refer to Section 7.4 for details);
- (c) letters of appointment with Darryl Harris and Grant Mooney on standard terms (refer to Section 7.4 for details); and
- (d) deeds of indemnity, insurance and access with each of its Directors on standard terms (refer to Section 7.5) for details).

As at the date of this Prospectus, the Company's registered office is located at premises leased by Mooney & Partners Pty Ltd, a company owned by Grant Mooney. The Company does not presently pay rent to Mooney & Partners Pty Ltd.

At the Prospectus Date, no other material transactions with related parties and Directors' interests exist that the Directors are aware of, other than those disclosed in the Prospectus.

6.8 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the Company's policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current Board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the Prospectus Date are detailed below. The Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website at www.cgnresources.com.au.

(a) Board of Directors

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. Clearly articulating the division of responsibilities between the Board and management will help manage expectations and avoid misunderstandings about their respective roles and accountabilities.

In general, the Board assumes (amongst others) the following responsibilities:

- (i) providing leadership and setting the strategic objectives of the Company;
- (ii) appointing and when necessary replacing the Executive Directors;
- (iii) approving the appointment and when necessary replacement, of other senior executives;
- (iv) undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director;
- (v) overseeing management's implementation of the Company's strategic objectives and its performance generally;
- (vi) approving operating budgets and major capital expenditure;
- (vii) overseeing the integrity of the Company's accounting and corporate reporting systems including the external audit;
- (viii) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;

- (ix) ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate; and
- (x) monitoring the effectiveness of the Company's governance practices.

The Company is committed to ensuring that appropriate checks are undertaken before the appointment of a Director and has in place written agreements with each Director which detail the terms of their appointment.

(b) Composition of the Board

Election of Board members is substantially the province of the Shareholders in a general meeting. The Board currently consists of the one Executive Director and two Non-Executive Directors (both of which the Company consider to be independent). As the Company's activities develop in size, nature and scope, the composition of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

(c) Identification and management of risk

The Board's collective experience will assist in the identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

(d) Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

(e) Independent professional advice

Subject to the Chair's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(f) Remuneration arrangements

The remuneration of any Executive Director will be decided by the Board, without the affected Executive Director participating in that decision-making process.

In addition, subject to any necessary Shareholder approval, a Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director (e.g. non-cash performance incentives such as options).

Directors are also entitled to be paid reasonable travel and other expenses incurred by them in the course of the performance of their duties as Directors.

The Board reviews and approves the Company's remuneration policy in order to ensure that the Company is able to attract and retain executives and Directors who will create value for Shareholders, having regard to the amount considered to be commensurate for an entity of the Company's size and level of activity as well as the relevant Directors' time, commitment and responsibility.

The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

(g) **Securities trading policy**

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the Executive Directors). The policy generally provides that the written acknowledgement of the Chair (or the Board in the case of the Chair) must be obtained prior to trading.

(h) **Diversity policy**

The Board values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Accordingly, the Company has set in place a diversity policy. This policy outlines the Company's diversity objectives in relation to gender, age, cultural background and ethnicity. It includes requirements for the Board to establish measurable objectives for achieving diversity, and for the Board to assess annually both the objectives, and the Company's progress in achieving them.

(i) **Audit and risk**

The Company will not have a separate audit or risk committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

(j) **External audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

(k) **Social media policy**

The Board has adopted a social media policy to regulate the use of social media by people associated with the Company or its subsidiaries to preserve the Company's reputation and integrity. The policy outlines requirements for compliance with confidentiality, governance, legal, privacy and regulatory parameters when using social media to conduct Company business.

(l) **Whistleblower policy**

The Board has adopted a whistleblower protection policy to ensure concerns regarding unacceptable conduct including breaches of the Company's code of conduct can be raised on a confidential basis, without fear of reprisal, dismissal or discriminatory treatment. The purpose of this policy is to promote responsible whistleblowing about issues where the interests of others, including the public, or of the organisation itself are at risk.

(m) **Anti-bribery and anti-corruption policy**

The Board has a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all business dealings. The Board has adopted an anti-bribery and anti-corruption policy for the purpose of setting out

the responsibilities in observing and upholding the Company's position on bribery and corruption provide information and guidance to those working for the Company on how to recognise and deal with bribery and corruption issues.

6.9 Departures from Recommendations

Following Admission, the Company will be required to report any departures from the Recommendations in its annual financial report.

The Company's compliance and departures from the Recommendations as at the Prospectus Date are detailed in the table below.

Principles and Recommendations	Compliance	Explanation for Departures
Principle 1: Lay solid foundations for management and oversight		
<p>Recommendation 1.5</p> <p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(i) the measurable objectives set for that period to achieve gender diversity;</p> <p>(ii) the entity's progress towards achieving those objectives; and</p> <p>(iii) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender</p>	No	<p>The Company does not comply with this recommendation. The Company has not yet set measurable objectives for achieving diversity. The Board continues to monitor diversity across the organisation and is satisfied with the current level of gender diversity within the Company. Due to the size of the Company, the Board does not consider it appropriate at this time to formally set objectives for gender diversity.</p>

Principles and Recommendations	Compliance	Explanation for Departures
Equality Indicators”, as defined in and published under that Act.		
Principle 2: Structure the board to be effective and add value		
<p>Recommendation 2.1</p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director; and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	Partially	<p>Given the Company’s size, it is not considered necessary to have a separate Nomination Committee.</p> <p>The skills, experience and expertise of each of the Company’s directors are set out in the Company’s Annual Report.</p> <p>The Board, in consultation with external advisers where required, undertakes this role.</p> <p>The Board Charter provides for the proper assessment of prospective directors and include, but are not limited to, their relevant experience and achievements, compatibility with other Board members, credibility within the Company’s scope of activities, and intellectual and physical ability to undertake Board duties and responsibilities.</p>
<p>Recommendation 2.2</p> <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	Yes	<p>The Board has undertaken an assessment of its mix of skills using a skills matrix to assess strengths and identify weaknesses. A summary of the blend of skills is set out below:</p> <ul style="list-style-type: none"> • Expertise <ul style="list-style-type: none"> ○ Geology ○ Minerals & Mining

Principles and Recommendations	Compliance	Explanation for Departures
		<ul style="list-style-type: none"> ○ Capital Markets ● Industry <ul style="list-style-type: none"> ○ Capital markets ○ Mineral exploration and mining ○ Equity markets ● Qualifications <ul style="list-style-type: none"> ○ Geology ○ Management ○ Science <p>The skills, experience and expertise of each of the Company's directors are set out in the Company's Annual Report.</p>
Principle 4: Safeguard integrity in corporate reporting		
<p>Recommendation 4.1 The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, <p>and disclose:</p> <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard</p>	Partially	<p>The Directors are of the view that given the size of the Company and the relatively small number of directors, it is not practical to have an Audit Committee. The Board undertakes this role.</p> <p>The Board meets on a regular basis and discusses matters normally captured under the terms of reference of an audit committee, being Company risk, controls and general and specific financial matters, as detailed in Risk Management and Compliance and Control on the Company's website.</p>

Principles and Recommendations	Compliance	Explanation for Departures
<p>the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>		
Principle 7: Recognise and manage risk		
<p>Recommendation 7.1 The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director; and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	No	<p>The Directors are of a view that given the size of the Company, it is not necessary to have a separate committee to oversee risk and this function is undertaken directly by the Board and senior management at regular intervals. The Risk Management Policy is available on the Company's website.</p>
<p>Recommendation 7.3 A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluation and continually improving the effectiveness of its governance,</p>	No	<p>The Directors are of the view that given the size of the Company, it is not practical to have an internal audit function and that risk management is undertaken by the Board and senior management.</p>

Principles and Recommendations	Compliance	Explanation for Departures
risk management and internal control processes.		
<p>Recommendation 7.4</p> <p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	No	The Directors are of the view that given the Company's size, risks are addressed directly by the Board and senior management and are not disclosed externally.
Principle 8: Remunerate fairly and responsibly		
<p>Recommendation 8.1</p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p style="padding-left: 20px;">(i) has at least three members, a majority of whom are independent directors; and</p> <p style="padding-left: 20px;">(ii) is chaired by an independent director;</p> <p>and disclose:</p> <p style="padding-left: 20px;">(iii) the charter of the committee;</p> <p style="padding-left: 20px;">(iv) the members of the committee; and</p> <p style="padding-left: 20px;">(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	No	<p>The Company does not presently have a remuneration committee.</p> <p>The Directors are of the view that given the size of the Company, the relatively small number of directors it is not practical to have a remuneration committee.</p> <p>The Board undertakes this role with the assistance of any external advice which may be required from time to time.</p>

7. Material Contracts

The Directors consider that certain contracts entered into by the Company are material to the Company or are of such a nature that an investor may wish to have particulars of them when assessing whether to apply for Shares under the Offer. The provisions of such material contracts are summarised in this Section.

7.1 Webb JV Agreement

The Company is party to a farm-in and joint venture agreement with Meteoric Resources NL (ACN 107 985 651) (**Meteoric**) dated 14 September 2012 (as amended by letter agreements dated 20 December 2012 and 31 July 2013, a deed of rectification dated 24 March 2014) (**Webb JV Agreement**). On and from execution of the Webb JV Agreement, Meteoric and the Company formed an unincorporated joint venture for the purpose of exploring, and if warranted, mining on the Tenements (**Webb Joint Venture**).

The material terms of the Webb JV Agreement are set out below.

(a) Earn-in

Pursuant to the Webb JV Agreement, the Company had the right to earn a 70% interest in the Tenements (as outlined below) by sole funding exploration on the Tenements over a two-staged earn-in period (**Earn-in Period**), set out below:

- (i) expending \$300,000 by the second anniversary date of the Webb JV Agreement to earn a 51% interest in the Tenements; and
- (ii) expending a further \$1,300,000 by the fourth anniversary of the Webb JV Agreement to earn a 70% interest in the Tenements (**Second Earn-in**).

The Company completed the Second Earn-in in October 2014 and as a result earned a 70% legal interest in E80/4815. Tenement E80/4815 is wholly located in Geoscience Australia 1:250,000 scale topographic map sheet: Webb F5210 and, as such, the Company acquired a 70% interest in this Tenement (refer to Section 7.1(b) for details regarding the application of the Webb Joint Venture to tenements located within Geoscience Australia 1:250,000 scale topographic map sheet).

In respect to each of E80/5471, E80/5496, E80/5499, E80/5573 and E80/5633, the Tenements were applied for in their current legal interests (Company, 80% and Meteoric, 20%). Given these Tenements are all wholly located in Geoscience Australia 1:250,000 scale topographic map sheet: Webb F5210, the Tenements automatically fall into the Webb Joint Venture and the Webb JV Agreement.

In respect to ELA80/5864, the application was applied for in the interests of the Company at 85% and Meteoric at 15%. Given this Pending Tenement is wholly located in Geoscience Australia 1:250,000 scale topographic map sheet: Webb F5210, the Tenement automatically falls into the Webb Joint Venture and the Webb JV Agreement.

In respect to ELA80/5956, the application was applied for in the current legal interests of the parties (Company, 86% and Meteoric, 14%). Given this Pending Tenement is wholly located in Geoscience Australia 1:250,000 scale topographic map sheet: Webb F5210, the Tenement automatically falls into the Webb Joint Venture and the Webb JV Agreement.

Following the end of the Earn-in Period, Meteoric and the Company are required contribute to expenditure on a pro-rata basis according to their joint venture interest or have their joint venture interest diluted according to a dilution formula.

A party must make its election to dilute or contribute within 14 days after approval of a programme and budget by the Management Committee (see below).

(b) **Joint Venture Tenements**

The Webb Joint Venture applies to all of the Tenements and any other tenements that the Management Committee decides should be applied for or acquired that are situated within Geoscience Australia 1:250,000 scale topographic map sheets: Webb F5210, Lake Mackay F5211, Stansmore F5206 and Highland Rocks F5207.

Meteoric's joint venture interest in the Tenements has diluted to 14% as at the Prospectus Date. The Company therefore has an 86% joint venture interest (and therefore beneficial interest) in the Tenements.

The Webb Joint Venture applies to all of the Tenements, being E80/4815, E80/5471, E80/5496, E80/5499, E80/5573, E80/5633 and Pending Tenements ELA80/5864 and ELA80/5956. Refer to Schedule 1 of the Solicitor's Report in Annexure C for further details of the Tenements.

(c) **Operations and Management**

Each of the Company and Meteoric have the right to appoint a representative to the management committee in respect of the Webb Joint Venture (**Management Committee**).

A party's Management Committee representatives will have one vote for each percentage of that party's joint venture interest as at the date of the relevant meeting, and all matters will be decided by majority vote.

The Company is the manager of the Webb Joint Venture (**Manager**) and is entitled to remain as Manager while it holds a joint venture interest of 51% or more.

(d) **Royalty**

If a party's joint venture interest is reduced to less than 5% it will be converted to a 1% gross sales royalty on the total amount received from the sale or transfer of mineral ores, concentrates or other product derived from any commercial mining operations on the Tenements (**Royalty**).

(e) **Other**

Either party may withdraw from the Webb JV Agreement by giving 30 days' notice to the other party.

The Webb JV Agreement contains restrictions on the transfer or assignment of the parties' interests in the Tenements, the Webb JV Agreement and any Royalty, including a right of pre-emption in favour of other parties to the Webb JV Agreement.

7.2 McIntyre Royalty

The Company entered a farm-in and joint venture agreement on 24 September 2012 between the Company, Jane McIntyre, John McIntyre and Meteoric (**Mt Webb FIJVA**) which was subsequently terminated pursuant to a letter agreement dated 11 July 2020 (**Mt Webb Termination Agreement**).

In accordance with the Mt Webb FIJVA and Mt Webb Termination Agreement, the McIntyres were granted a 1% gross sales royalty over E80/5573 (**McIntyre Royalty**).

The McIntyre Royalty is calculated by reference to the total amount received or deemed to have been received from the sale or transfer of mineral ores, concentrates or other product derived from any commercial mining operations on E80/5573; and is payable not more than seven days after the end of each calendar quarter during which the production of Minerals (as that term is defined in the Mining Act) in commercial quantities from E80/5573 occurs.

Refer to Section 11 of the Solicitor's Report at Annexure C for further details of the McIntyre Royalty.

7.3 Joint Lead Manager Mandate

On 29 June 2023, the Company entered into a mandate agreement appointing Oracle Capital Group Pty Ltd and 708 Capital Pty Ltd to act as exclusive Joint Lead Managers and brokers in respect of the Offer (**Joint Lead Manager Mandate**).

Under the Joint Lead Manager Mandate, the Joint Lead Managers will provide services and assistance customarily provided in connection with marketing and execution of an initial public offer.

The Company will pay the following fees to the Joint Lead Managers (or their nominees) pursuant to the Joint Lead Manager Mandate, subject to the successful completion of the Offer:

- (a) a management fee of 2% of the proceeds from the Offer; and
- (b) a placement fee of 4% of the amount raised by the Joint Lead Managers under the Offer; and
- (c) 4,000,000 unquoted JLM Options in the Company exercisable at \$0.25 per Option, expiring 3 years from the date of Admission, as a success fee for the Offer.

The Company has agreed to reimburse the Joint Lead Managers for:

- (a) certain agreed costs and expenses incurred by the Joint Lead Managers in relation to the Offer; and
- (b) all reasonable out-of-pocket expenses (including GST) incurred by the Joint Lead Managers in connection with the Offer including marketing and communication costs,

printing, couriers, postage and distribution, roadshow expenses, accommodation and travel.

In addition to the fees outlined above, the Company will pay Oracle Capital a retainer of \$10,000 (plus GST) per month until one month following the listing of the Company, capped at a maximum of \$50,000 (plus GST).

The Joint Lead Manager Mandate will expire on 29 December 2023. The Company and the Joint Lead Managers may terminate the Joint Lead Manager Mandate early in limited circumstances.

The Company has provided certain representations and warranties to the Joint Lead Managers in relation to the Company, the Offer and the Joint Lead Manager Mandate. These are typical of commercial agreements of this nature.

Please see Section 2.7 for further information regarding the Joint Lead Managers' interests in the Offer.

The Joint Lead Manager Mandate contains additional provisions considered standard for agreements of this nature.

7.4 Executive Services Agreements and Letters of Appointment

(a) Executive Services Agreement – Daniel (Stan) Wholley

The Company has entered into an executive services agreement with Daniel (Stan) Wholley, pursuant to which Mr Wholley was appointed as Managing Director and Chief Executive Officer from 1 July 2023 and is responsible for managing the day to day operations of the Company.

Pursuant to the agreement, Mr Wholley is entitled to receive \$250,000 per annum (excluding statutory superannuation). In addition, the Company has issued to Mr Wholley 6,000,000 Director Options as a component of his remuneration package on the terms and conditions set out in Section 8.2.

The Board may, in its absolute discretion invite Mr Wholley to participate in bonus and/or other incentive schemes in the Company that it may implement from time to time, subject to compliance with the Corporations Act and Listing Rules.

The agreement is for an indefinite term, continuing until terminated by either the Company or Mr Wholley giving not less than 3 months' written notice of termination to the other party (or shorter period in limited circumstances).

Mr Wholley is also subject to restrictions in relation to the use of confidential information during and after his employment with the Company ceases and being directly or indirectly involved in a competing business during the continuance of his employment with the Company and for a period of three months after his employment with the Company ceases, on terms which are otherwise considered standard for agreements of this nature.

In addition, the agreement contains additional provisions considered standard for agreements of this nature.

(b) Non-Executive Chair Letter of Appointment – Darryl Harris

The Company has entered into a non-executive director letter of appointment with Darryl Harris pursuant to which the Company has agreed to pay Mr Harris \$60,000

per annum (excluding statutory superannuation) for services provided to the Company as Non-Executive Chair.

In addition, the Company has issued to Mr Harris 4,500,000 Director Options as a component of his remuneration package on the terms and conditions set out in Section 8.2.

The agreement contains additional provisions considered standard for agreements of this nature.

(c) **Non-Executive Director Letter of Appointment and Company Secretarial Services Contract – Grant Mooney**

The Company has entered into a non-executive director letter of appointment with Grant Mooney pursuant to which the Company has agreed to pay Mr Mooney \$40,000 per annum (excluding statutory superannuation) for services provided to the Company as Non-Executive Director. The agreement contains additional provisions considered standard for agreements of this nature.

In addition, the Company has issued Mr Mooney 1,500,000 Director Options as a component of his remuneration package on the terms and conditions set out in Section 8.2.

The Company is also party to a contract with Mooney & Partners Pty Ltd (a company related to director Grant Mooney) for the provision of company secretarial services at a rate of \$5,000 per month (plus GST). The agreement may be terminated by either party providing three months' written notice and otherwise contains additional provisions considered standard for agreements of this nature.

7.5 Deeds of indemnity, insurance and access

The Company is party to a deed of indemnity, insurance and access with each of the Directors and Company Secretary. Under these deeds, the Company indemnifies each Director and Company Secretary to the extent permitted by law against any liability arising as a result of the Director acting as a director of the Company or the Company Secretary as the company secretary of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant Director and Company Secretary and must allow the Directors to inspect board papers in certain circumstances. The deeds are considered standard for documents of this nature.

8. Additional information

8.1 Rights attaching to Shares

A summary of the rights attaching to the Shares is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, the Shareholder should seek legal advice.

- (a) **(Ranking of Shares):** At the Prospectus Date, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.
- (b) **(Voting rights):** Subject to any rights or restrictions, at general meetings:
 - (i) every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative;
 - (ii) has one vote on a show of hands; and
 - (iii) has one vote for every Share held, upon a poll.
- (c) **(Dividend rights):** Shareholders will be entitled to dividends, distributed among members in proportion to the capital paid up, from the date of payment. No dividend carries interest against the Company and the declaration of Directors as to the amount to be distributed is conclusive.

Shareholders may be paid interim dividends or bonuses at the discretion of the Directors. The Company must not pay a dividend unless the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend.

- (d) **(Variation of rights):** The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.
- (e) **(Transfer of Shares):** Shares can be transferred upon delivery of a proper instrument of transfer to the Company or by a transfer in accordance with the ASX Settlement Operating Rules. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel. The Board may refuse to register a transfer of Shares upon which the Company has a lien.

- (f) **(General meetings):** Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

The Directors may convene a general meeting at their discretion. General meetings shall also be convened on requisition as provided for by the Corporations Act.

- (g) **(Unmarketable parcels):** The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable laws and provided a notice is given to the minority Shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.
- (h) **(Rights on winding up):** If the Company is wound up, the liquidator may with the sanction of special resolution, divide the assets of the Company amongst members as the liquidator sees fit. If the assets are insufficient to repay the whole of the paid up capital of members, they will be distributed in such a way that the losses borne by members are in proportion to the capital paid up.
- (i) **(Restricted Securities):** A holder of Restricted Securities (as defined in the Listing Rules) must comply with the requirements imposed by the Listing Rules in respect of Restricted Securities.

8.2 Terms and conditions of Class 1 Options

The following terms and conditions apply to each of the Class 1 Options, in this sub-Section referred to as 'Options':

- (a) **(Entitlement):** Each Option entitles the holder (**Holder**) to subscribe for one fully paid ordinary share (**Share**) in the issued capital of the Company upon exercise of the Option.
- (b) **(Issue Price):** No cash consideration is payable for the issue of the Options.
- (c) **(Exercise Price):** The Options have an exercise price of \$0.25 each (**Exercise Price**).
- (d) **(Expiry Date):** The Options expire at 5:00pm (WST) on 30 June 2026 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (e) **(Exercise Period):** The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
- (f) **(Notice of Exercise):** The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate or as otherwise agreed with the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (g) **(Exercise Date):** A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
- (h) **(Timing of issue of Shares on exercise):** Within 5 business days after the Exercise Date, the Company will:
 - (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If the Company is unable to deliver a notice under paragraph 8.2(h)(ii) or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company will lodge with ASIC a "cleansing prospectus" prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors. Where a "cleansing prospectus" is required, any Shares issued on exercise of Options will be subject to a holding lock until such time as a prospectus is issued by the Company. The Company must issue the prospectus by no later than 30 days after the date of issue of the Shares, or such later date as is agreed with the Holder.

- (i) **(Shares issued on exercise):** Shares issued on exercise of the Options rank equally with the then Shares of the Company.
- (j) **(Quotation of the Options):** The Company will not apply for quotation of the Options on ASX, unless the Board resolves otherwise in its sole discretion.
- (k) **(Transferability of the Options):** The Options are transferable with the prior written approval of the Company.
- (l) **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
- (m) **(Adjustment for bonus issues):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):
 - (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the holder would have received if the holder of the Options had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (n) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (o) **(Change of Control):** Upon the occurrence of:
 - (i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
 - (A) having received acceptances for greater than 50% of the Company's shares on issue; and
 - (B) having been declared unconditional by the bidder;
 - (ii) any person acquires a Relevant Interest (as defined in the Corporations Act) more than 50% of the Shares by any other means; or

- (iii) any merger transaction or scheme of arrangement is recommended by the Board and where such transaction would have the effect contemplated in paragraph (i) above,

(Change of Control Event) or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Options will be dealt with, including, without limitation, in a manner that allows the holder of the Options to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.

- (p) **(Constitution)**: Upon the issue of Shares on exercise of the Options, the Holder agrees to be bound by the Company's Constitution.

8.3 Terms and conditions of Class 2 Options and JLM Options

The following terms and conditions apply to each of the Class 2 Options, in this sub-Section referred to as 'Options' unless specified:

- (a) **(Entitlement)**: Each Option gives the holder the right to subscribe for one Share.
- (b) **(Expiry Date)**: The Options have the following expiry dates:
 - (i) Class 2 Options: 5:00pm (AWST) on 31 July 2026; and
 - (ii) JLM Options: 5:00pm (AWST) on the date that is 3 years after the date of the Company's Admission,

(Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) **(Exercise Price)**: the amount payable upon exercise of each Option is \$0.25 per Option (**Exercise Price**).
- (d) **(Exercise)** A holder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) an electronic funds transfer for the Exercise Price for the number of Options being exercised.
- (e) **(Exercise Notice)**: An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds. The Options held by each holder may be exercised in whole or in part, and if exercised in part, at least 5,000 must be exercised on each occasion.
- (f) **(Timing of issue of Shares on exercise)**: Within 5 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (g) **(Transferability)**: The Options are transferable with the prior written consent of the Board (at its sole discretion).
- (h) **(Ranking of Shares)**: All Shares allotted upon the exercise of Options will upon allotment be fully paid and rank pari passu in all respects with other Shares.

- (i) **(Quotation):** The Company will not apply for quotation of the Options on ASX.
- (j) **(Adjustments for reorganisation):** If there is any reorganisation of the issued share capital of the Company, the rights of the holders of Options will be varied in accordance with the Listing Rules.
- (k) **(Dividend rights):** An Option does not entitle the holder to any dividends.
- (l) **(Voting rights):** An Option does not entitle the holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.
- (m) **(Entitlements and bonus issues):** Holders of Options will not be entitled to participate in new issues of capital offered to shareholders such as bonus issues and entitlement issues.
- (n) **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment:
 - (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the holder of Options would have received if the holder had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (o) **(Return of capital rights):** The Options do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (p) **(Rights on winding up):** The Options have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.
- (q) **(Takeovers prohibition):**
 - (i) the issue of Shares on exercise of the Options is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act; and
 - (ii) the Company will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Shares on exercise of the Options.
- (r) **(No other rights):** An Option does not give a holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (s) **(Amendments required by ASX):** The terms of the Options may be amended as considered necessary by the Board in order to comply with the Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the holder are not diminished or terminated.

8.4 Terms and conditions of Director Options

The following terms and conditions apply to each of the Director Options, in this sub-Section referred to as 'Options':

- (a) **(Entitlement):** Subject to the terms and conditions set out below, each Option entitles the holder to the issue of one fully paid ordinary share in the capital of the Company.
- (b) **(Issue Price):** The Options are issued for nil cash consideration.
- (c) **(Exercise Price and Expiry Date):** The Options have the exercise prices and expiry dates set out in the following table. Any Option not exercised before 5.00pm WST on the Expiry Date will automatically lapse.

Director Options	Number	Exercise Price (\$)	Expiry Date
Tranche 1 Director Options	4,000,000	0.25	18 August 2026
Tranche 2 Director Options	3,000,000	0.30	18 August 2026
Tranche 3 Director Options	5,000,000	0.35	18 August 2026

- (d) **(Exercise Period):** The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
- (e) **(Notice of Exercise):** The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

- (f) **(Issue of Shares):** As soon as practicable after the valid exercise of an Option, the Company will:
 - (i) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled;
 - (ii) issue a substitute Certificate for any remaining unexercised Options held by the holder;
 - (iii) if required, and subject to clause (g), give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (iv) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules.
- (g) **(Restrictions on transfer of Shares):** If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of the Options may not be traded

until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act. The Company is authorised by the holder to apply a holding lock on the relevant Shares during the period of such restriction from trading.

- (h) **(Ranking)**: All Shares issued on the exercise of Options will upon issue rank equally in all respects with other Shares.
- (i) **(Transferability of the Options)**: The Options are not transferable, except with the prior written approval of the Company at its sole discretion and subject to compliance with the Corporations Act and Listing Rules.
- (j) **(Cashless exercise of Options)**: The holder of Options may elect not to be required to provide payment of the Exercise Price for the number of Options specified in a Notice of Exercise but that on exercise of those Options the Company will transfer or allot to the holder that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the time of exercise and the Exercise Price that would otherwise be payable to exercise those Options (with the number of Shares rounded down to the nearest whole Share).

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the five (5) trading days immediately preceding that given date.

- (k) **(Dividend rights)**: An Option does not entitle the holder to any dividends.
- (l) **(Voting rights)**: An Option does not entitle the holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the ASX Listing Rules where such rights cannot be excluded by these terms.
- (m) **(Quotation of the Options)**: The Company will not apply for quotation of the Options on any securities exchange.
- (n) **(Adjustments for reorganisation)**: If there is any reorganisation of the issued share capital of the Company, the rights of the Option holder will be varied in accordance with the Listing Rules.
- (o) **(Entitlements and bonus issues)**: Subject to the rights under clause (p), holders will not be entitled to participate in new issues of capital offered to shareholders such as bonus issues and entitlement issues.
- (p) **(Adjustment for bonus issues of Shares)**: If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.

- (q) **(Return of capital rights):** The Options do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (r) **(Rights on winding up):** The Options have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.
- (s) **(Takeovers prohibition):**
 - (i) the issue of Shares on exercise of the Options is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act; and
 - (ii) the Company will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Shares on exercise of the Options.
- (t) **(No other rights):** An Option does not give a holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (u) **(Amendments required by ASX):** The terms of the Options may be amended as considered necessary by the Board in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the holder are not diminished or terminated.
- (v) **(Plan):** The Options are issued pursuant to and are subject to the Plan. In the event of conflict between a provision of these terms and conditions and the Plan, these terms and conditions prevail to the extent of that conflict.
- (w) **(Constitution):** Upon the issue of the Shares on exercise of the Options, the holder will be bound by the Company's Constitution.

8.5 Summary of Employee Securities Incentive Plan

The Company has adopted an Employee Securities Incentive Plan (**Plan**), which will commence on the date of the Company's Admission.

The full terms of the Plan may be inspected at the registered office of the Company during normal business hours. A summary of the terms of the Plan is set out below. It is intended that both the Executive and Non-Executive Directors will participate in the Plan. The Director Options were issued to the Directors under the Plan.

- (a) **(Eligible Participant):** Eligible Participant means a person that has been determined by the Board to be eligible to participate in the Plan from time to time and is an "ESS participant" (as that term is defined in Division 1A of the Corporations Act) in relation to the Company or an associated entity of the Company. This relevantly includes, amongst others:
 - (i) an employee or director of the Company or an individual who provides services to the Company;
 - (ii) an employee or director of an associated entity of the Company or an individual who provides services to such an associated entity;
 - (iii) a prospective person to whom paragraphs (i) or (ii) apply;
 - (iv) a person prescribed by the relevant regulations for such purposes; or

- (v) certain related persons on behalf of the participants described in paragraphs (i) to (iv) (inclusive).
- (b) **(Maximum allocation):**
- (i) The Company must not make an offer of Securities under the Plan in respect of which monetary consideration is payable (either upfront, or on exercise of convertible securities) where the total number of Plan Shares (as defined in paragraph (n) below) that may be issued, or acquired upon exercise of Plan Convertible Securities offered, when aggregated with the number of Shares issued or that may be issued as a result of offers made under the Plan at any time during the previous 3 year period would exceed 5% of the total number of Shares on issue at the date of the offer or such other limit as may be specified by the relevant regulations or the Company's Constitution from time to time.
 - (ii) The maximum number of equity securities proposed to be issued under the Plan from Admission for the purposes of Listing Rule 7.2, Exception 13 is 10,000,000 (**ASX Limit**). This means that, subject to the following paragraph, the Company may issue up to the ASX Limit under the Plan, without seeking Shareholder approval and without reducing its placement capacity under Listing Rule 7.1.
 - (iii) The Company will require prior Shareholder approval for the issue of Securities under the Plan to Directors, their associates, and any other person whose relationship with the Company or a Director or a Director's associate is such that, in ASX's opinion, the acquisition should be approved by Shareholders. The issue of Securities with Shareholder approval will not count towards the ASX Limit.
- (c) **(Purpose):** The purpose of the Plan is to:
- (i) assist in the reward, retention and motivation of Eligible Participants;
 - (ii) link the reward of Eligible Participants to Shareholder value creation; and
 - (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
- (d) **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion, subject to compliance with applicable laws and the Listing Rules. The Board may delegate its powers and discretion.
- (e) **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides. An invitation issued under the Plan will comply with the disclosure obligations pursuant to Division 1A of the Corporations Act.

On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by

notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

A waiting period of at least 14 days will apply to acquisitions of Securities for monetary consideration as required by the provisions of Division 1A of the Corporations Act.

- (f) **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the successful applicant (Participant) the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
- (g) **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

- (h) **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.
- (i) **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

At the time of exercise of the Convertible Securities, and subject to Board approval, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

- (j) **(Market Value):** means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

- (k) **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
- (l) **(Forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

- (i) Unless the Board otherwise determines, or as otherwise set out in the Plan rules: any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
- (m) **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
- (n) **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (Plan Shares) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
- (o) **(Disposal restrictions on Securities):** If the invitation provides that any Plan Shares or Convertible Securities are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.
- (p) **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an

allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

- (q) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
- (r) **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

- (s) **(Plan duration):** The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

8.6 Effect of the Offer on control and substantial Shareholders

Those Shareholders holding an interest in 5% or more of the Shares on issue as at the Prospectus Date are as follows:

Shareholder	Shares	%	Options
Venturo Nominees Pty Ltd	7,333,334	12.2	2,833,333 ⁽¹⁾
Johannes Versteeg	7,333,334	12.2	2,833,333 ⁽¹⁾
Hardy Road Investments Pty Ltd	4,000,000	6.6	2,000,000
Joarch Jagia Investments Pty	3,300,000	5.5	1,650,000
Jeanette Wholley	3,250,000	5.4	6,500,000 ⁽²⁾

Notes:

1. Consisting of 2,083,333 Class 1 Options and 750,000 Class 2 Options, subject to the terms and conditions in Section 8.2 and 8.3, respectively.
2. Consisting of 500,000 Class 2 Options subject to the terms and conditions in Section 8.3 and 6,000,000 Director Options subject to the terms and conditions in Section 8.4.

Based on the information known as at the Prospectus Date, on Admission the following persons will have an interest in 5% or more of the Shares on issue:

Shareholder	Shares	%		Options ¹
		Minimum Subscription	Maximum Subscription	
Alan Quartermaine	7,666,667	7.7	7.0	2,833,333
Johannes Versteeg	7,333,334	7.3	6.7	2,833,333

Notes:

1. Class 1 Options subject to the terms and conditions in Section 8.2.

8.7 Interests of Promoters, Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- persons or entity named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or

holds at the Prospectus Date, or has held at any time during the last 2 years, any interest in:

- the formation or promotion of the Company;

- (d) property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer; or
- (e) the Offer,

and the Company has not paid any amount or provided any benefit, or agreed to do so, to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Offer.

Name	Approximate fees paid during the last 2 years for other services provided (excluding GST) \$	Estimated fees in connection with the Offer (excluding GST) \$
Joint Lead Managers	-	650,000 ¹
XCend Pty Ltd	-	2,500
SW Audit	24,000	16,500
HLB Mann Judd	-	15,000
Midas Touch Geological Services	10,800	6,000
Hamilton Locke	25,118	55,000

Notes:

1. Based on the Maximum Subscription. At the Minimum Subscription, the fees payable to the Joint Lead Managers in connection with the Offer (excluding GST) will be \$530,000. Details of the payments to be made to the Joint Lead Managers is set out in Section 7.3.

8.8 Consents

- (a) Each of the parties referred to below:
- (i) do not make the Offer;
 - (ii) do not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below or elsewhere in this Prospectus;
 - (iii) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below; and
 - (iv) has given and has not, prior to the lodgement of this Prospectus with ASIC, withdrawn its consent to the inclusion of the statements in this Prospectus that are specified below in the form and context in which the statements appear.

(b) **Share Registry**

XCend Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as Share Registry of the Company in the form and context in which it is named.

(c) **Auditor**

SW Audit has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as Auditor of the Company in the form and context in which it is named.

(d) **Australian legal advisors**

Hamilton Locke has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Australian legal advisor to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Solicitors Report in the form and context in which it is named.

(e) **Independent Geologist**

Midas Touch Geological Services has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Independent Geologist to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Independent Geologist's Report in the form and context in which it is included.

(f) **Investigating Accountant**

HLB Mann Judd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Investigating Accountant to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Independent Limited Assurance Report in the form and context in which it is included.

(g) **Joint Lead Managers**

Oracle Capital Group Pty Ltd and 708 Capital Pty Ltd have given, and not withdrawn prior to the lodgement of this Prospectus with ASIC, their written consent to being named in this Prospectus as the Joint Lead Managers to the Offer in the form and context in which it is named.

8.9 Expenses of Offer

The total approximate expenses of the Offer payable by the Company are:

Expense	\$ (Minimum Subscription)	\$ (Maximum Subscription)
Investigating Accountant (HLB Mann Judd)	15,000	15,000
Audit fees (SW Audit)	16,500	16,500
Solicitors (Hamilton Locke)	55,000	55,000
Independent Geologist (Midas Touch Consulting)	6,000	6,000
ASX initial listing fees	96,687	98,982
ASIC lodgement fees	3,000	3,000
Miscellaneous (travel, postage and contingencies relating to the Offer)	7,813	5,518
Joint Lead Manager fees ¹	530,000	650,000
Total	730,000	850,000

Note:

1. Refer to Section 7.3 for a summary of the Joint Lead Manager Mandate.

8.10 Continuous Disclosure Obligations

Following Admission, the Company will be a 'disclosing entity' (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares (unless a relevant exception to disclosure applies). Price sensitive information will be publicly released through ASX before it is otherwise disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to ASX. In addition, the Company will post this information on its website after ASX confirms that an announcement has been made, with the aim of making the information readily accessible to the widest audience.

8.11 Litigation

The Company is in receipt of an allegation from a former director of the Company in relation to a claim for remuneration allegedly owed in the form of cash and options with an aggregate value of approximately \$500,000 (consisting of a cash amount of \$100,000 and approximately \$400,000 in options which is based off a Black Scholes valuation undertaken by the Company at the date of this Prospectus). The Company disputes these amounts are owed and confirms that (at the date of this Prospectus) no legal proceedings have been commenced in respect of the allegation. In the event that proceedings are commenced, the Company intends to strenuously defend the proceedings.

Other than as noted above, so far as the Directors are aware, there is no current civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company (or any other member of the Group) is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company or the Group.

8.12 Electronic Prospectus

Pursuant to Regulatory Guide 107 ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Shares in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company and the Lead Manager reserve the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

8.13 ASIC Relief and ASX Waivers

No ASIC relief or ASX waivers have been obtained and relied upon in relation to the Offer.

8.14 Documents available for inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 8.8 of this Prospectus.

8.15 Statement of Directors

The Directors report that after due enquiries by them, in their opinion, since the date of the financial statements in the Independent Limited Assurance Report in Annexure A, there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

9. Authorisation

The Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company by:



Darryl Harris
Non-Executive Chair

Dated: 22 August 2023

10. Definitions

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ or \$	Australian dollars.
708 Capital	means 708 Capital Pty Ltd (ACN 142 319 202).
AAPA Act	means the <i>Aboriginal Affairs Planning Authority Act 1972</i> (WA).
Admission	means the admission of the Company to the Official List, following completion of the Offer.
Applicant	means a person who submits an Application Form.
Application	means a valid application for Shares pursuant to this Prospectus.
Application Form	means the application form attached to this Prospectus (including the electronic form provided by an online application facility).
Application Monies	means the amount of money submitted or made available by an Applicant in connection with an Application.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited (ACN 008 624 691) or, where the context requires, the financial market operated by it.
ASX Settlement	means ASX Settlement Pty Limited (ACN 008 504 532).
ASX Settlement Rules	means ASX Settlement Operating Rules of ASX Settlement Pty Ltd (ABN 49 008 504 532).
Auditor	means SW Audit (ABN 39 533 589 331).
AWST	means Australian Western Standard Time, being the time in Perth, Western Australia
Board	means the board of Directors of the Company as at the Prospectus Date.
CGI	means copper gold iron.
CHESS	means the Clearing House Electronic Subregister System operated by ASX Settlement.
Class 1 Options	means 4,166,666 Options subject to the terms and conditions in Section 8.2.
Class 2 Options	means 8,000,000 free attaching Options subject to the terms and conditions in Section 8.3 issued under the Pre-IPO Placement.
Closing Date	means the date specified in the Indicative Timetable (or such other time and date as the Board determines).
Company	means CGN Resources Limited (ACN 122 958 810).

Completion	means the date on which the Shares are issued and transferred to Applicants in accordance with the terms of the Offer.
Constitution	means the constitution of the Company.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth), as amended from time to time.
CRN	has the meaning given in Section 2.9(a).
Director Options	means the Tranche 1 Director Options, Tranche 2 Director Options and Tranche 3 Director Options issued to the Directors on the terms and conditions in Section 8.4.
Directors	means the directors of the Company as at the Prospectus Date.
Earn-in Period	means the four year period following execution of the Webb JV Agreement.
ESIP or Plan	means employee securities incentive plan.
Electronic Prospectus	means the electronic copy of this Prospectus located at the Company's website https://cgnresources.com.au/
Existing Options	means the Options on issue at the Prospectus date, consisting of the Class 1 Options, Class 2 Options and Director Options.
Exposure Period	means the period of seven days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than seven days pursuant to section 727(3) of the Corporations Act.
Financial Information	has the meaning given in Section 5.1.
GST	means Goods and Services Tax.
Group	means the Company and its subsidiary Geominerals Pty Ltd (ACN 157 870 383).
Historical Financial Information	has the meaning given in Section 5.1.
Indicative Timetable	means the indicative timetable for the Offer on page 9 of this Prospectus.
Investigating Accountant	means HLB Mann Judd (WA Partnership) (ABN 22 193 232 714).
IOCG	means iron oxide copper gold.
Issue Date	means the date, as determined by the Directors, on which the Securities offered under this Prospectus are allotted, which is anticipated to be the date identified in the Indicative Timetable.
JLM Options	means 4,000,000 Options to be issued to the Joint Lead Managers under the Joint Lead Manager Mandate on successful completion of the Offer.

Joint Lead Managers	means Oracle Capital and 708 Capital as joint lead managers to the Offer.
Joint Lead Manager Mandate	means the mandate entered between the Company and the Joint Lead Managers dated 29 June 2023 for the provision of lead manager services in respect of the Offer, as summarised in Section 7.3.
Listing Rules	means the listing rules of ASX.
Management Committee	means the management committee of the Webb Joint Venture.
Manager	means the manager of the Webb Joint Venture.
Maximum Subscription	means the raising of \$10,000,000 (before costs) pursuant to the Offer.
McIntyre Royalty	means a 1% gross sales royalty over E80/5573.
Meteoric	means Meteoric Resources NL (ACN 107 985 651)
Minimum Subscription	means the raising of \$8,000,000 (before costs) pursuant to the Offer.
Mining Act	means the <i>Mining Act 1978 (WA)</i>
Mt Webb FIJVA	means the farm-in and joint venture agreement between the Company, Jane McIntyre, John McIntyre and Meteoric dated 24 September 2012.
Mt Webb Termination Agreement	means the letter agreement between the Company, Jane McIntyre, John McIntyre, and Meteoric dated 11 July 2020.
Native Title Act	means the <i>Native Title Act 1993 (Cth)</i> .
Offer	means the offer pursuant to this Prospectus of not less than 40,000,000 Shares and up to 50,000,000 Shares at the Offer Price to raise not less than \$8,000,000 and up to \$10,000,000 (before costs).
Offer Price	means \$0.20 per Share.
Official List	means the official list of ASX.
Official Quotation	means official quotation by ASX in accordance with the Listing Rules.
Opening Date	means the date specified as the opening date in the Indicative Timetable.
Option	means an option, giving the holder the right, but not an obligation, to acquire a Share at a predetermined price and at a specified time in the future.
Oracle Capital	means Oracle Capital Group Pty Ltd (ACN 622 310 276).
Pre-IPO Placement	means a capital raising undertaken by the Company in July 2023 to raise \$800,000 (before costs) through the issue of 16,000,000 Shares at an issue price of \$0.05 each, together with one Class 2 Option for every two Shares subscribed for.
Prospectus	means this prospectus issued by the Company and dated 22 August 2023 modified or varied by any replacement or

	supplementary prospectus issued by the Company and lodged with ASIC from time to time.
Prospectus Date	means the date on which a copy of this Prospectus was lodged with ASIC, being 22 August 2023.
Recommendations	means the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition).
REE	means rare earth elements
Relevant Interest	means the meaning given in the Corporations Act.
Royalty	has the meaning given in Section 7.1(d).
Section	a section of this Prospectus.
Securities	means any securities, including Shares or Options, issued or granted by the Company.
Share	means a fully paid ordinary share in the capital of the Company.
Share Registry	means XCend Pty Ltd (ACN 662 440 959)
Shareholder	means a holder of one or more Shares.
Tenements	has the meaning given in section 12 of the Solicitor's Report at Annexure C of this Prospectus.
Tjamu	means the Tjamu Tjamu Aboriginal Corporation RNTBC.
Tjamu Agreement	means the Mineral Exploration and Land Access Deed of Agreement between the Company, Meteoric and Tjamu dated 30 January 2019 and as amended by deed of variation dated 9 August 2021.
TREO	means total rare earth oxide.
WAO	means West Arunta Orogen.
Webb Joint Venture	has the meaning given in Section 7.1.
Webb JV Agreement	has the meaning given in Section 7.1.
Webb Project	means the six exploration licences and two pending applications for an exploration licence in the highly prospective West Arunta Region in which the Company has an 86% interest pursuant to the Webb Joint Venture.

Annexure A – Independent Limited Assurance Report

22 August 2023

The Board of Directors
CGN Resources Limited
Suite 4, 6 Richardson Street
WEST PERTH WA 6005

Dear Board Members

INDEPENDENT LIMITED ASSURANCE REPORT ON THE HISTORICAL FINANCIAL INFORMATION AND THE PRO FORMA FINANCIAL INFORMATION OF CGN RESOURCES LIMITED

Introduction

This Independent Limited Assurance Report (“Report”) has been prepared for inclusion in a prospectus to be dated on or around 22 August 2023 (“Prospectus”) and issued by CGN Resources Limited (“CGN” or “the Company”) in relation to the Company’s initial listing on the Australian Securities Exchange (“ASX”). The Prospectus comprises an offer of up to 50,000,000 shares at an issue price of \$0.20 each to raise \$10,000,000 before costs with a minimum subscription of 40,000,000 shares at an issue price of \$0.20 to raise \$8,000,000 (“minimum subscription”) (“Offer”).

This Report has been included in the Prospectus to assist potential investors and their financial advisers to make an assessment of the financial position and performance of CGN. All amounts are expressed in Australian dollars and expressions defined in the Prospectus have the same meaning in this Report.

This Report does not address the rights attaching to the shares to be issued in accordance with the Offer, nor the risks associated with accepting the Offer. HLB Mann Judd (“HLB”) has not been requested to consider the prospects for CGN, nor the merits and risks associated with becoming a shareholder, and accordingly has not done so, nor purports to do so. HLB has not made and will not make any recommendation, through the issue of this Report, to potential investors of the Company, as to the merits of the Offer and takes no responsibility for any matter or omission in the Prospectus other than the responsibility for this Report. Further declarations are set out in Section 7 of this Report.

Structure of Report

This Report has been divided into the following sections:

1. Scope of Report;
2. Directors’ Responsibility;
3. Our Responsibility;
4. Conclusions;
5. Restriction on Use;
6. Liability; and
7. Declarations.

hlb.com.au

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Liability limited by a scheme approved under Professional Standards Legislation.

1. Scope of Report

You have requested HLB to perform a limited assurance engagement and to report on the following Financial Information as set out in Section 5 of the Prospectus:

Historical Financial Information

The Historical Financial Information, as set out in Section 5 of the Prospectus, comprises the audited historical Consolidated Statements of Financial Position of the Group as at 30 June 2021, 30 June 2022 and 30 June 2023 and audited historical Consolidated Statements of Profit or Loss and other Comprehensive Income and Consolidated Statements of Cash Flows of the Group for the years then ended.

Pro Forma Financial Information

The Pro Forma Financial Information, as set out in Section 5 of the Prospectus, comprises the pro forma Statement of Financial Position of the Group as at 30 June 2023 and supporting notes which include the post reporting date transactions and the pro forma adjustments.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Financial Information and the events or transactions to which the pro forma adjustments relate, as if those transactions or events had occurred as at 30 June 2023. Due to its nature, the Pro Forma Financial Information does not represent the Group's actual or prospective financial position, financial performance or cash flows.

The Historical Financial Information and the Pro Forma Financial Information are presented in an abbreviated form insofar as they do not include all the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in Australia in accordance with the *Corporations Act 2001*.

This Report has been prepared for inclusion in the Prospectus. HLB disclaims any assumption of responsibility for any reliance on this Report or on the Financial Information to which this Report relates for any purpose other than the purposes for which it was prepared. This Report should be read in conjunction with the Prospectus.

2. Directors' Responsibility

The Directors of the Company are responsible for the preparation and presentation of the Financial Information. The Directors are also responsible for the determination of the pro forma adjustments set out in Section 5.8 of the Prospectus and the basis of preparation of the Financial Information.

This responsibility also includes compliance with applicable laws and regulations and for such internal controls as the Directors determine are necessary to enable the preparation of the Financial Information that is free from material misstatement.

3. Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Financial Information based on the procedures performed and evidence we have obtained. Our engagement was conducted in accordance with Australian Auditing Standards applicable to assurance engagements. Specifically, our review was carried out in accordance with Standards on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information* and ASAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information* and included such enquiries and procedures which we considered necessary for the purposes of this Report. Our procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures applied to the accounting records in support of the Financial Information.

The procedures undertaken by HLB in our role as Investigating Accountant were substantially less in scope than that of an audit examination conducted in accordance with Australian Auditing Standards. A review of this nature provides less assurance than an audit and, accordingly, this Report does not express an audit opinion on the Financial Information.

In relation to the information presented in this Report:

- a) support by another person, corporation or an unrelated entity has not been assumed; and
- b) the amounts shown in respect of assets do not purport to be the amounts that would have been realised if the assets were sold at the date of this Report.

4. Conclusions

Historical Financial Information

Based on our review, which was not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information of the Company as set out in Section 5 of the Prospectus does not present fairly:

- a) the historical Consolidated Statements of Financial Position of the Company as at 30 June 2021, 30 June 2022 and 30 June 2023; and
- b) the historical Consolidated Statements of Profit or Loss and Other Comprehensive Income and Statement of Cash Flows of the Company for the years then ended;

in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of applicable Australian Accounting Standards and other mandatory professional reporting requirements.

Pro Forma Financial Information

Based on our review, which was not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Financial Information of the Group as set out in Section 5 of the Prospectus does not present fairly the pro forma Statement of Financial Position of the Group as at 30 June 2023, which incorporates the pro forma adjustments as set out in Section 5.8 of the Prospectus.

5. Restriction on Use

Without modifying our conclusion, we draw attention to Section 5 of the Prospectus, which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, the Financial Information may not be suitable for use for another purpose.

6. Liability

The liability of HLB is limited to the inclusion of this Report in the Prospectus. HLB makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from, the Prospectus.

7. Declarations

- a) HLB will be paid its usual professional fees based on time involvement, for the preparation of this Report and review of the Financial Information, which is estimated to be \$15,000 plus GST;
- b) Apart from the aforementioned fee, neither HLB, nor any of its associates will receive any other benefits, either directly or indirectly, for or in connection with the preparation of this Report;

- c) Neither HLB, nor any of its employees or associated persons has any interest in CGN or the promotion of the Company or any of its subsidiaries;
- d) Unless specifically referred to in this Report, or elsewhere in the Prospectus, HLB was not involved in the preparation of any other part of the Prospectus and did not cause the issue of any other part of the Prospectus. Accordingly, HLB makes no representations or warranties as to the completeness or accuracy of the information contained in any other part of the Prospectus; and
- e) HLB has consented to the inclusion of this Report in the Prospectus in the form and context in which it appears.

Yours faithfully

HLB Mann Judd
Chartered Accountants



N G Neill
Partner

Annexure B – Independent Geologist’s Report

INDEPENDENT GEOLOGIST'S REPORT

The Directors
CGN Resources Limited
Suite 4/6 Richardson Street
West Perth, WA 6005

16th August 2023

Introduction

Richard Hall of Midas Touch Geological Services ("MTGS") has been commissioned by CGN Resources Limited ("CGN") to prepare an Independent Geologist's Report ("IGR"), of the mineral properties held by or to be acquired by CGN.

Compliance with Regulatory Guides

The information and opinions presented in this report relating to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves (if and to the extent disclosed) have been prepared and reported in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("the JORC Code") standards of reporting.

Scope of Work

Reliance on Experts

This report is a technical review which is to be included in a Prospectus to be lodged with ASIC to raise a minimum of AU\$8 million and a maximum of AU\$10 million (before costs) in new equity via an Initial Public Offering. These funds will primarily be used for the exploration, evaluation, and development of the mineral tenements assembled in Western Australia as outlined in this IGR.

The environmental, safety, regulatory risks, and legal status, including Native Title considerations associated with the tenure of the mineral properties of CGN Resources, are subject to a separate report elsewhere in the Prospectus. This IGR has thus been prepared on the assumption that the tenements will have lawful access for evaluation and development. CGN Resources' mineral properties comprise interests in granted Exploration Licences and pending applications. Historically, the project areas have been partially explored by several companies and, where possible, these results have been incorporated into the IGR if they have been deemed to provide supporting evidence or have any potential material impact on either current or future work schedules within the exploration tenements.

It is our opinion that the mineral properties and the target commodities described in this IGR warrant the proposed exploration and testing programmes described in this IGR, which are proceeding along industry-accepted tenets of minerals exploration. Exploration is a dynamic, iterative process, and whilst these programs will be compliant within the confines of the granted programs of work (PoW), they will be flexible enough to adapt to the results accordingly. All maps included in this IGR are current as of the date of this IGR and have been prepared by and/or verified by the Competent Person.

During the preparation of this IGR, access has been provided to all relevant data held by CGN, as well as various other technical reports and information, quoted in the bibliography. MTGS has made all reasonable endeavours to verify the veracity and relevance of these data. Whilst every

effort has been made to carry out the interpretation as diligently as possible, the author accepts no responsibility for any commercial decisions arising from the interpretations and conclusions expressed in this report and accompanying maps, nor will these decisions prejudice the author or publisher in any manner whatsoever. CGN has warranted to MTGS that full disclosure has been made of all material in its possession, and that information provided, is to the best of its knowledge, accurate and true.

MTGS has relied on information and reports obtained from CGN, or the public domain including but not limited to:

- Presentation material
- Annual technical reports and WAMEX reports
- Internal reports
- Internal sampling results, logging and other laboratory and scientific data
- Publicly available bulletins including those from Geoscience Australia and the Geological Survey of Western Australia.

Much of the data utilised to investigate CGN's diamond project is in-house, from diamond exploration work spanning almost a decade in its collection and collation. Regarding their newly promoted iron ore copper-gold ("IOCG") project, the main datasets utilised was public domain data pertaining to regional gravity and aeromagnetic data, geochemical data, limited geological information from outcrops, limited geochronological data, and use of interpreted bedrock geology and structure maps relating to IOCG occurrences and deposits in the southern and west Arunta region. There are no mineral resource estimates prepared under the guidelines of any mineral reporting code in this report.

CGN has indemnified MTGS from any liability that may arise from MTGS's reliance on information provided or omitted, by CGN.

Site Visit

A site visit was not undertaken to the project area in the period, largely due to the fact that there is no outcrop and all drill pads and drillhole collars have been rehabilitated in accordance with Department of Mines, Industry Regulation and Safety ("DMIRS") regulations.

Statement of Independence

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves on the CGN's mineral properties is based on, and fairly represents, information and supporting documentation prepared by Mr Richard Hall (M.Sc. Geology, cum laude), a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM, Member No. 224837) and a member of the Geological Society of Australia.

Mr Hall is employed by MTGS. Mr Hall has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code. Mr Hall consents to the inclusion in this report of the matters based on his information in the form and content in which it appears.

In addition, MTGS has not been requested to provide an Independent Valuation and this report is not a valuation report, nor has it been asked to comment on the fairness or reasonableness of any vendor or promoter considerations, and therefore it has not offered any opinion on these matters. This report is a Technical Assessment Report and a Public Report as described in the VALMIN Code and JORC Code. The information in this report that relates to Technical Assessment (as described in the VALMIN Code) reflects information compiled and conclusions derived by Mr Richard Hall, who has sufficient experience relevant to the Technical Assessment (as described in the VALMIN Code) of CGN's mineral properties and to the activity which he is undertaking to qualify as a Practitioner as defined in the 2015 edition of the 'Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets'. Mr Richard Hall consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

MTGS is an established independent geological consultancy that has no material interest either directly or indirectly in CGN, nor in any of its mineral properties included in this report, nor in any asset that CGN has previously included in its mineral portfolio.

This IGR has been prepared by MTGS strictly in the role of an independent expert and professional fees payable for the preparation of this report constitutes Mr Hall's only commercial interest in CGN. Moreover, the payment of these fees has in no way influenced the outcomes or conclusions cited in this document.

Richard Hall, B.Sc. (Special Hons) Geology, M.Sc. Geology (*cum laude*), FAusIMM, MGSA
Principal Consultant



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**INDEPENDENT GEOLOGIST'S REPORT RELATING
TO THE MINERAL PROPERTY INTERESTS
OF CGN RESOURCES LIMITED**

Prepared for:



CGN Resources Limited
Suite 4/6 Richardson Street
West Perth, WA 6005

By:



(ABN 71 102 710 250)

EXECUTIVE SUMMARY

Midas Touch Geological Services ("MTGS") was requested by CGN Resources Limited ("CGN") to prepare an Independent Geologist's Report ("IGR") for use in a prospectus to support an initial public offering ("IPO") of shares in connection with its proposed listing on the Australian Securities Exchange ("ASX"). The funds raised will be used for the purpose of exploration and evaluation of the project areas.

CGN holds tenure over the Webb Project in Western Australia ("WA"), in a joint venture with Meteoric Resources NL ("Meteoric"). CGN holds a majority 86% interest and is the operator and manager of the joint venture. Mineral Rights are held for six granted exploration licences.

CGN states that the current focus of exploration is targeting iron oxide copper-gold ("IOCG") mineralisation, nickel sulphide deposits and specialty metals. The presence of mineralisation is supported by anomalous metallic and oxide minerals identified during previous diamond exploration campaigns. Previous exploration on the Webb Project has targeted diamond-bearing kimberlites and successfully delineated Australia's largest kimberlite cluster (approximately 280). Geophysics was the main tool for defining the kimberlite targets with follow-up reverse circulation ("RC") and aircore drilling successfully hitting 52 kimberlites. Diamonds were not recovered from these kimberlites but significant potential remains with 230 kimberlites remaining to be tested via drilling.

While IOCG exploration is at an early stage and largely conceptual in nature, the schemata for this are supported by:

- A favourable geological and geodynamic setting as described by Geoscience Australia which compares with established metallogenic models supporting the prospectivity of the West Arunta Orogen for IOCG mineralisation
- Projects in the local region including those of the Pokali (Rincon Resources Limited, ASX:RCR), Grapple and Bumblebee (IGO Ltd, ASX:IGO) prospects, which are described as having important characteristics of IOCG mineralisation
- Neighbouring explorers who are actively exploring for IOCG-style mineralisation and whose work supports the Webb IOCG model
- CGN having detected significant anomalism in copper, nickel and other elements associated with IOCG-style mineralisation through the course of drilling testing kimberlite targets
- CGN's interpretation of geophysical data has revealed gravity and magnetic targets that are fundamental to and forms the basic tenets of IOCG mineralisation models.

Based on interpretation of existing geophysical data, CGN has prioritised four IOCG targets for drill testing in its planned Year 1 exploration program (Tantor, Surus, Snorky, and Horton).

In addition to the IOCG targets, CGN is also targeting a significant nickel anomaly which was intersected in drillhole W14RC009. This hole encountered 2 m at 1.15% Ni from 66 m within an anomalous zone of partial sampling from 65 m to 90 m. The drillhole overlies a significant sill-like magnetic feature and will be the target of drilling Year 1.

With the recent discovery of a major carbonatite enriched in niobium and rare earths by WA1 Resources Ltd ("WA1") (ASX:WA1) in the tenure directly north, CGN has reviewed the geochemistry database and geophysics and developed the Hathi target. The target is centred on hole W14RC045 which intersected a thick zone of highly anomalous rare earth elements ("REEs") comprising a 37 m intercept of 0.38% total rare earth oxide ("TREO") from 60 m to 97 m. This lies adjacent to large magnetic feature with a coincident gravity feature which has similarities with the carbonatite signature recently drilled by WA1.

Midas Touch's Opinion

Based on MTGS's assessment, it is our opinion that CGN's exploration strategy is of sound technical merit and the project is considered to have sufficient potential to warrant the proposed exploration activities.

MTGS concurs with CGN's approach and considers that an IOCG model for the Webb Project is reasonable, based on the geological and geochemical interpretation of the available proprietary and open-source data.

CGN has demonstrated that historical exploration on its project area has not yet systematically tested for an IOCG-predominant style of mineralisation being herewith assessed for the first time by CGN. The CGN nickel target is a well-defined feature that should be tested by drilling and electromagnetic geophysical survey. The rare earth target would benefit from further investigation by drilling to assess the extent of the known mineralisation already intersected in drilling.

MTGS notes that CGN's proposed exploration program for IOCG-style deposits and the other targets is at an early phase of implementation. As with all early-stage exploration plays, the inherent risks associated with this project is therefore high. This fact is mitigated to some extent due to the quality of the targets within an area of known crustal-scale magmatism. Mineralisation that has already been intersected in drilling warrants further exploration. CGN holds a large tenure package which is at an early stage of investigation within a highly prospective geological terrain.

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1 INTRODUCTION

This Independent Geologist's Report has been prepared by Midas Touch Geological Services ("MTGS") at the request of CGN Resources Limited, ("CGN") on the mineral property interests relating to its Webb Project.

The following report outlines the potential for iron oxide copper-gold ("IOCG"), magmatic nickel, rare earth elements ("REEs") and diamondiferous kimberlite in exploration tenements. The project tenements are held within a joint venture ("JV") between CGN and Meteoric Resources NL ("Meteoric"). The portfolio comprises six granted exploration licences (live status) and two pending applications covering an area of c. 948 km² in the Gibson Desert of Western Australia ("WA") (Figure 1.1). The current beneficial interests for the JV partners are CGN at 86% shareholding and Meteoric at 14%.

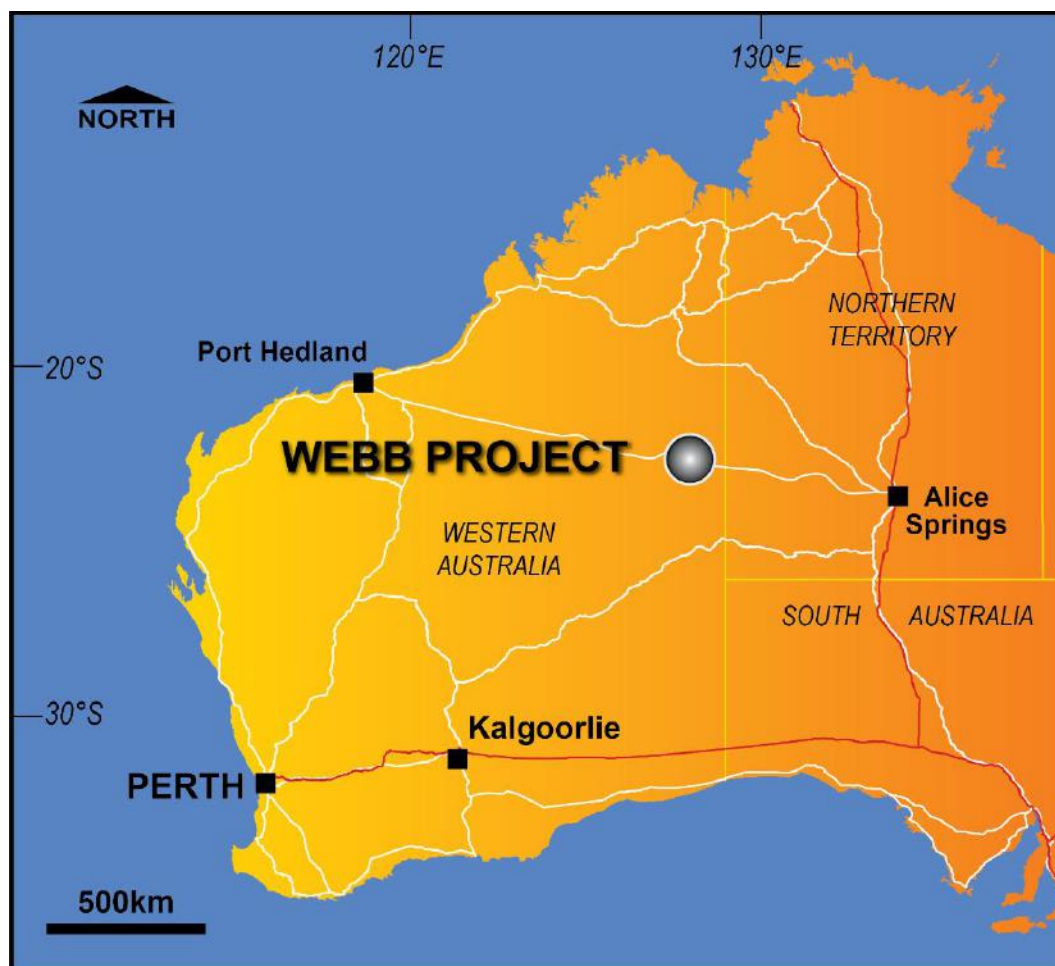


Figure 1.1: Location and access to the CGN's Webb Project

Source: CGN, 2023

The IOGC targets are compelling for several reasons, which are summarised below:

- Published prospectivity assessments by Geoscience Australia (Figure 1.2, Skirrow et al., 2019) and the discovery of IOCG mineralisation in the region in the late-1990s (Wyborn et al., 1998), provides both strong scientific and empirical support to the prospectivity of the Webb Project for IOCG-style mineralisation.
- The targets are based on coincident gravity and magnetic highs consistent with most global IOCG deposits.
- The geochemical signature of results intersected in drilling are well aligned with those recognised globally for this deposit style.
- The scale of the targets is consistent with other Australian IOCG deposits.

- Favourable geodynamic relationships and driving mechanisms for IOCG development that include the nearby presence of fractionated metaluminous Type-1 granites.
- Regional geochemistry shows the primary and alteration geochemistry of the felsic magmas of the Mount Webb region also resembles those of any other Proterozoic copper-gold mineralised areas in the world (Wyborn et al., 1998).
- The Webb Project sits adjacent to a major crustal-scale structural feature referred to as Central Australian Suture ("CAS", also referred to as the Centralian Shear Zone, or CSZ). Important for the deposition of anomalous IOCG depositional styles.
- Major alkaline intrusions have been discovered in the adjacent tenure to the north, which are a fundamental requirement for IOCG development.

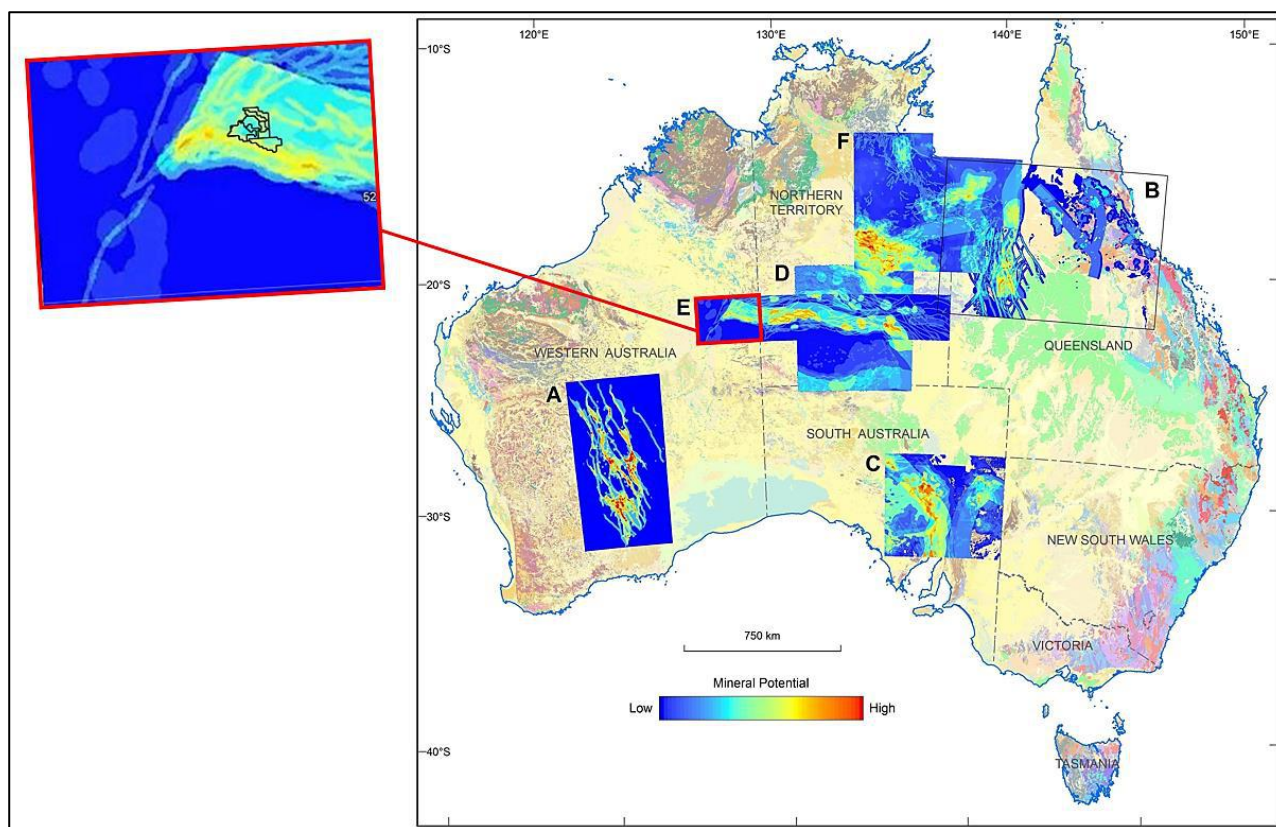


Figure 1.2: Regional-scale mineral potential mapping studies undertaken by Geoscience Australia since 2010

Includes: Eastern Yilgarn Craton, WA (A, orogenic gold), northern Queensland (B, IOCG and uranium mineral systems), central-eastern South Australia (C, IOCG and uranium mineral systems), southern Northern Territory (D, IOCG and uranium mineral systems), southern and West Arunta region (E, IOCG), and Tennant Creek to Mount Isa region (F, IOCG). Base map shows surface geology (1:1 million). Webb Project tenements are indicated at left (i.e., Area E, showing southern and western Arunta). Source: Modified after Skirrow et al., 2019 (Source: R. Hall, 2023).

Further to the IOCG potential, CGN has highlighted nickel and REE targets based on mineralised intercepts from reverse circulation ("RC") drillholes. The nickel target is coincident with a sill-like magnetic feature which is a clear target for additional geophysics and drilling. The REE target is more conceptual in nature but is based on a previous drill intercept and its proximity to a large-scale magnetic and gravity feature.

MTGS understands it is CGN's intention to aggressively explore these exploration properties with the proceeds of the capital raise and to initiate exploration and evaluation programs in this highly prospective zone of elevated IOCG potential, primary diamond deposits, nickel and REEs. As a priority, CGN will initiate programs targeting IOCG-style mineralisation that will assist in the compilation of a coherent metallogenic model for the Webb Project regarding its base metal mineral potential.

CGN's key programs to realise a discovery include:

- Completing ground gravity surveys over the key IOCG targets at the start of the 2024 field season survey to compliment Falcon gravity data collected in 2022 and the detailed aeromagnetic data already collected over the project.
- Trial electromagnetic survey over the Shep target to refine future drill program locations over the sill-like feature.
- Utilising a multi-disciplinary approach including using the above remote sensing tools to detect haematite-rich, magnetite-rich, or other basement conductors.
- Interpretation of new geophysical data and integration with new drilling geochemistry as it becomes available.
- Undertaking a first pass drilling program of the four known IOCG targets to realise a mineral discovery and to gain better understanding of alteration and mineralisation styles.
- Compilation of all data to develop a project-wide metallogenic model to support exploration and understand the metallogenesis of the project.
- Complete a second pass drilling program as required, based on the results from the first-year program.
- Undertake first pass drill programs at the Hathi and Shep targets to better understand the geology and extent of mineralisation.

CGN will have a secondary focus to realise the diamond potential of one or more kimberlite pipes from its relatively mature diamond exploration play. This work is likely to be restricted to drill testing several of the remaining high-quality kimberlite targets.

2 TENURE, LOCATION AND ACCESS

2.1 Tenure

The Webb property currently comprises six granted exploration licences (Table 2.1, Figure 2.1). CGN holds a majority 86% interest and is the operator and manager of the JV. Meteoric holds the minor share of 14%.

Table 2.1: Status and expenditure commitments for Webb Project tenement schedule as of February 2022

Tenement ID	Status	Current area	Area (km ²)	Grant date	Application date	Expiry date	Expenditure commitment	Rent date	Rent amount
E80/4815	Live	26	82.16	7 Apr 2014	29 Jul 2013	6 Apr 2024	\$78,000	6 Apr 2024	\$19,422
E80/5471	Live	26	82.16	4 Sep 2020	6 Feb 2020	3 Sep 2025	\$26,000	3 Sep 2023	\$7,514
E80/5496	Live	21	66.36	25 May 2021	4 Jun 2020	24 May 2026	\$21,000	24 May 2024	\$6,069
E80/5499	Live	66	208.56	2 Aug 2021	5 Jun 2020	1 Aug 2026	\$66,000	1 Aug 2023	\$10,626
E80/5573	Live	41	129.56	4 Nov 2021	2 Mar 2021	3 Nov 2026	\$41,000	3 Nov 2023	\$6,601
E80/5633	Live	70	221.2	25 Jan 2022	20 May 2021	24 Jan 2027	\$70,000	24 Jan 2024	\$11,270
E80/5864	Pending	36	113.76		9 Nov 2022		\$36,000		\$5,796
E80/5956	Pending	14	44.24		14 Aug 2023		\$20,000		\$2,254
Total		300	948				\$408,000		\$78,000

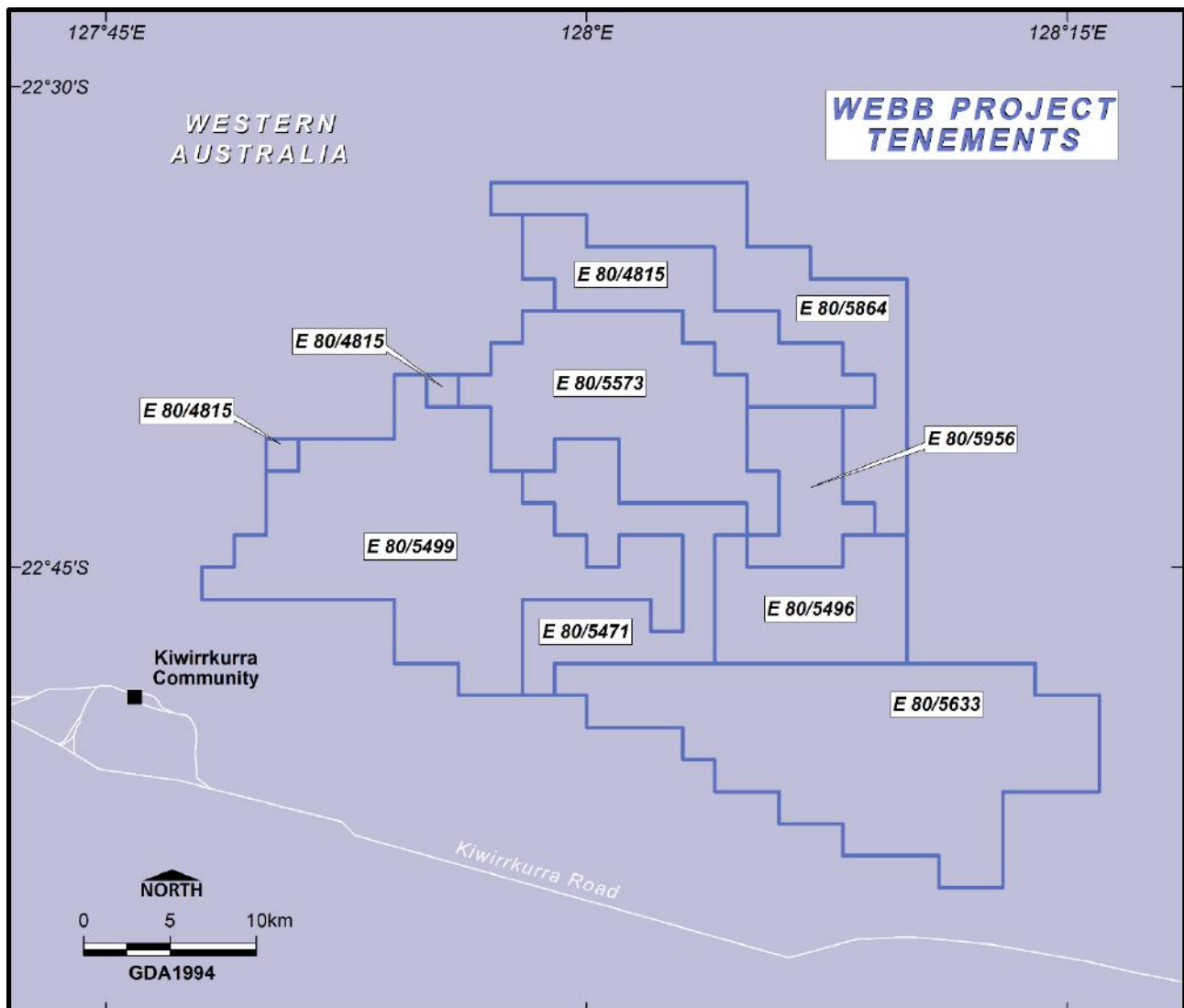


Figure 2.1: Webb Project – detail of live tenements as of August 2023 (Source: CGN, 2023)

2.2 Webb JV

CGN is party to a farm-in and JV agreement with Meteoric ("Webb JV"). At the time of writing, CGN has earned an 86% beneficial JV interest and is the manager and operator of the Webb JV (refer to Section 7.1 of the Prospectus for a summary of the Webb JV). Previous impediments to exploration through granting of access to Native Title land (e.g., Rio Tinto, 1994; BHPM Ltd, 2003), centred around the fact many previous exploration licences were situated on Aboriginal Reserve 24923, which is leased by the Ngaanyatjarra Land Council. Meteoric, in conjunction with Central Desert Native Title Services, completed a heritage survey on behalf of the Tjambu Tjambu people which subsequently cleared the way for exploration activities, including drilling over areas which were clear of heritage significance. CGN has also signed a Mineral Exploration and Land Access Agreement with the Tjambu Tjambu Aboriginal Corporation which was ratified by the Ngaanyatjarra Land Council. The access agreement of 2013 is in good standing and has in no way impeded the activities of the Webb JV.

2.3 Location and Access

The Webb Project is located approximately 625 km west of Alice Springs, in the remote West Arunta region of the Gibson Desert in WA (Figure 1.1). The project area lies immediately west of Lake Mackay, a large ephemeral salt-lake, also known as Wilkinkarra. The land surface is sparsely vegetated and dominated by extensive east-west seif dunes, up to 20 m in height. The region has a desert climate with dry season from April to September and a very hot period with sporadic large rainfall events extending from October to March. Due to the extreme temperatures and potential for significant rain in summer, exploration field work is usually focused during the period April to October.

All requirements for field work must be brought into the area, including services and power, plant, equipment, and personnel. The regional geology is obscured by aeolian sand dunes that require high quality 4WD vehicular access. Access to the southern part of the project area is via the Balgo track, which is an upgraded track from the Kiwirrkurra Aboriginal community.

The principal access to the property is via an unsealed road from Alice Springs. Alternate road access is to Port Hedland, 1,100 km to the northwest. The Kiwirrkurra Aboriginal Community is the closest inhabited settlement, which is situated 20 km southwest of the nearest project tenement (Figure 2.1). An all-weather airstrip is situated at Kiwirrkurra, where fuel, stores and limited accommodation are available by arrangement (Figure 2.2).

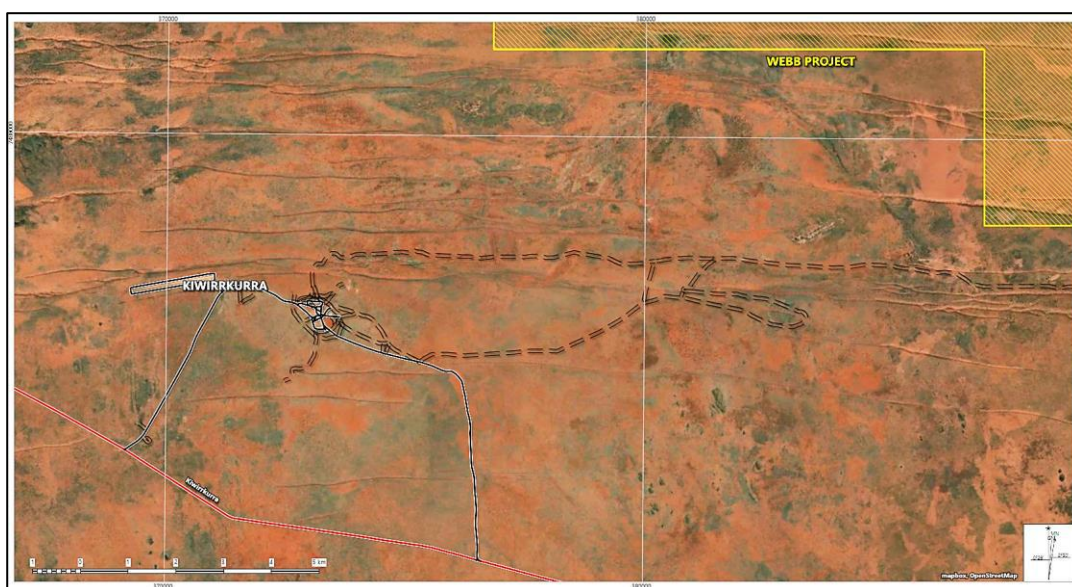


Figure 2.2: The nearest inhabited settlement is the Kiwirrkurra Aboriginal Community, c. 20 km to the southwest (access to the Webb Project is via this settlement)

Source: R. Hall, 2023

3 GEOLOGY AND METALLOGENY

The Webb geological map (Sheet SF 52-10, 1:250,000 series) describes the principal stratigraphic and geological units of the area (Figure 3.1).

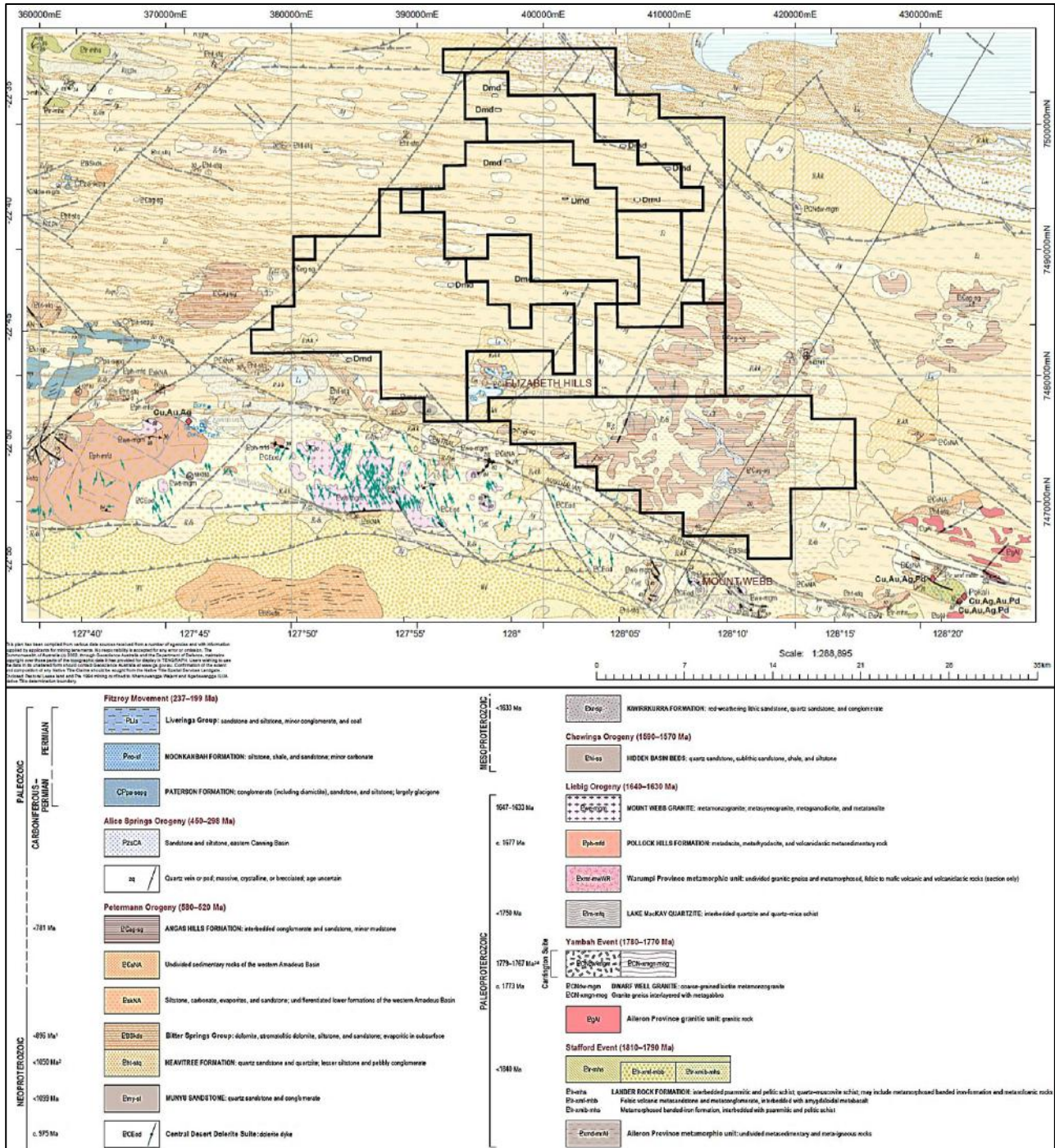


Figure 3.1: Webb geological sheet (1:250,000 SF 52-10), showing locality of tenements (as of February 2022), superimposed on surface and subsurface geology; Lake Mackay lies to the northeast

Source: R. Hall, 2023

3.1 The West Arunta Orogen

The West Arunta Orogen includes the Aileron Province in the north, and the Warumpi Province in the south (Figure 3.2). The Aileron Province is dominated by 1860–1700 Ma igneous and metamorphic rocks whereas the Warumpi Province is dominated by younger c. 1690–1600 Ma igneous and metamorphic rocks (Aitken et al., 2018). According to Joly et al. (2011), two major deformation events control the current architecture of the West Arunta Orogen, which overprint and reactivate structures produced during earlier Proterozoic events including the 1810–1800 Ma Stafford Event, 1780–1770 Ma Yambah Event, 1640–1630 Ma Leibig Orogeny, c. 550 Ma Petermann Orogeny. The first is a set of structures that trend west-northwest (Figure 3.2). Seismic data acquired along strike to the east show that major structures with a similar orientation are north-dipping and extend to the base of the crust.

The West Arunta Orogen includes the Aileron Province in the north, and the Warumpi Province in the south (Figure 3.2), which are separated by the CAS. The Aileron Province is dominated by 1860–1700 Ma igneous and metamorphic rocks (Collins and Shaw, 1995), whereas the Warumpi Province is dominated by younger c. 1690–1600 Ma igneous and metamorphic rocks (e.g., Scrimgeour, 2004; Hollis et al., 2008). The oldest known rocks in the Aileron Province belong to the metasedimentary Lander Rock Formation. Detrital zircon populations of 1880–1840 Ma provide an upper age limit. The Warumpi Province is separated from the Aileron Province by the CAS (Figure 3.2).

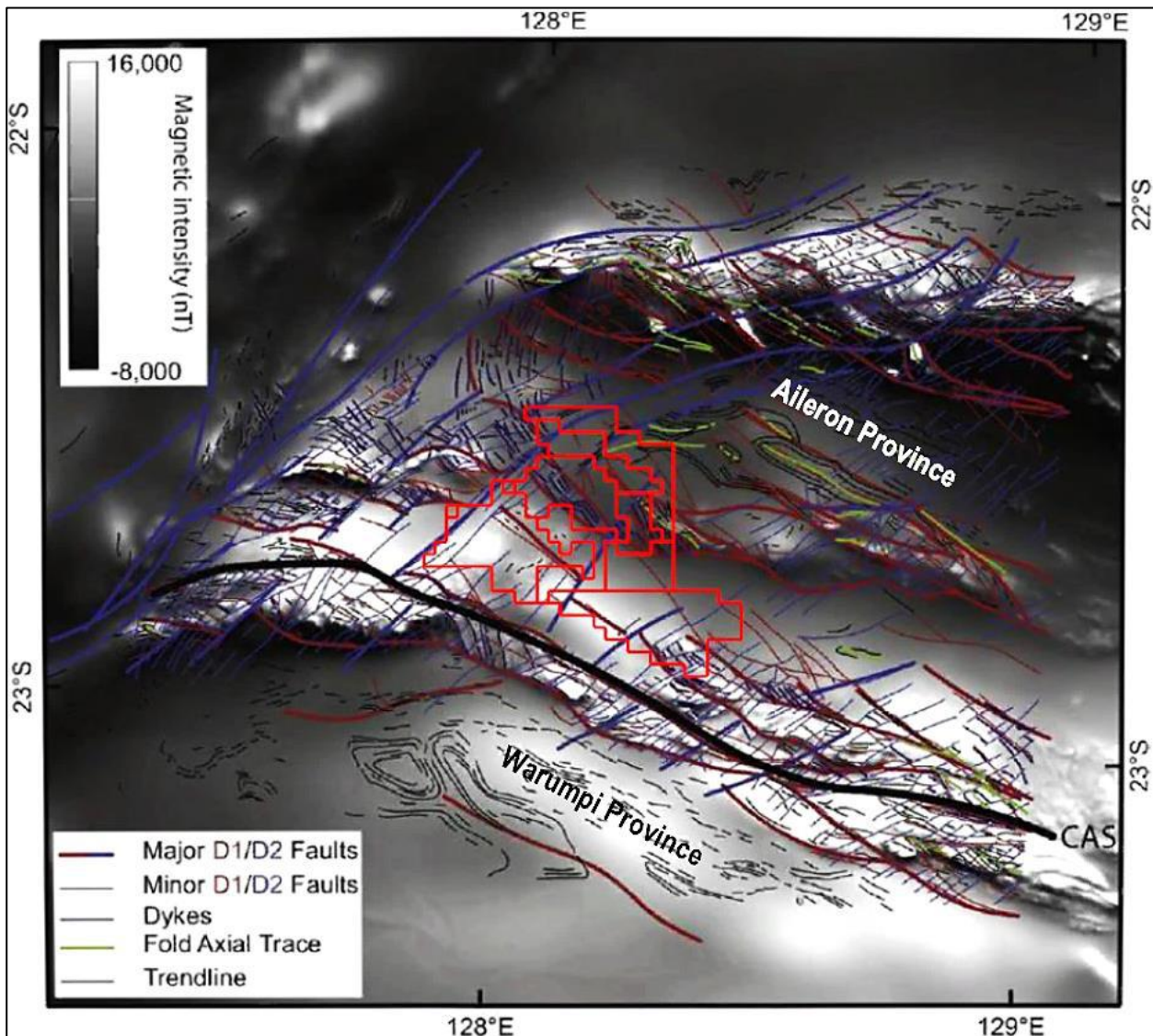


Figure 3.2: Proterozoic structural architecture of the West Arunta Orogen (Webb JV tenements superimposed)
Source: R Hall, 2023 (modified from Aitken et al., 2018)

3.2 Geology

In terms of the regional geology (Figure 3.1), the semi-desert Webb Sheet area is largely obscured by Cenozoic-age aeolian sand, evaporite and lacustrine surface sediment cover. Outcrops of pre-Cainozoic rocks are restricted to scattered low hills, ridges, cuestas, mounds, and undulating terrain. The areas to the east, west and south of the project are underlain by up to 1,000 m of the c. 1050 Ma Heavitree Formation sandstones and quartzites, which in turn are overlain by dolomites, siltstones, and sandstones of the c. 896 Ma Bitter Springs Group. The c. 781 Ma Angas Hills Formation (formerly Angas Hills Beds) comprise the principal stratigraphic units intersected by drilling. These rocks are interpreted to overlie crystalline Archaean basement rocks of the Arunta Orogen (e.g., Pollock Hills Formation and Mount Webb Granite, Figure 3.1). The Arunta Complex of the Arunta Block comprises Archaean sedimentary rocks which have been regionally metamorphosed to greenschist facies. Principle lithologies are the schists and quartzites of the Lower-Proterozoic volcanic and associated sediments of the Pollock Hills Formation, Mount Webb Adamellite, unnamed granite, and basic dykes which cut the Mount Webb Adamellite. The granitic rocks intrude the schists and quartzites as well as the Pollock Hills Formation. The Arunta Block is believed to be floored by continental crust and was formed due to intra-plate rifting. The Webb Project area occurs at the western extent of the Northern and Southern Tectonic Provinces (Figure 3.2). Archaean aged rocks are considered important for diamond formation and preservation, whilst overlying younger sediments can be important for the preservation of kimberlite pipes.

3.3 Structure

IOCG targets have a high degree of structural control, and the target area has the key structural elements for this deposit type. IOCG deposits tend to have a source at 4–6 km in depth and are invariably associated with crustal-scale structures. The latter are known to penetrate well down into the crust, often 20 km deep, and have strike lengths measured in tens or hundreds of kilometres. IOCG deposits also tend to accumulate within faults where they form as epigenetic mineralisation distal to the deeper source intrusion; hence the relevance of major crustal discontinuities and associated deformation, provided by the CAS. Similarly, the confinement of kimberlites to major structural lineaments within the project area, representing deep collisional crustal sutures, is not incidental. The latter are also important in the localisation of mantle-tapping volcanic rocks and diamond formation within the lithospheric keels of stable Archaean age cratons (cf. "Clifford's Rule"¹).

Figure 3.3 outlines the major structural elements of the Webb Project area, which encompasses both the Aileron and Warumpi provinces that are separated by the CAS. A north-south trending fault (Lake Mackay Fault), where it intersects the CAS, may represent a triple junction, important in the development of orogenic mineral deposits.

¹ Studies over the last few decades have revealed numerous deviations to this Rule.

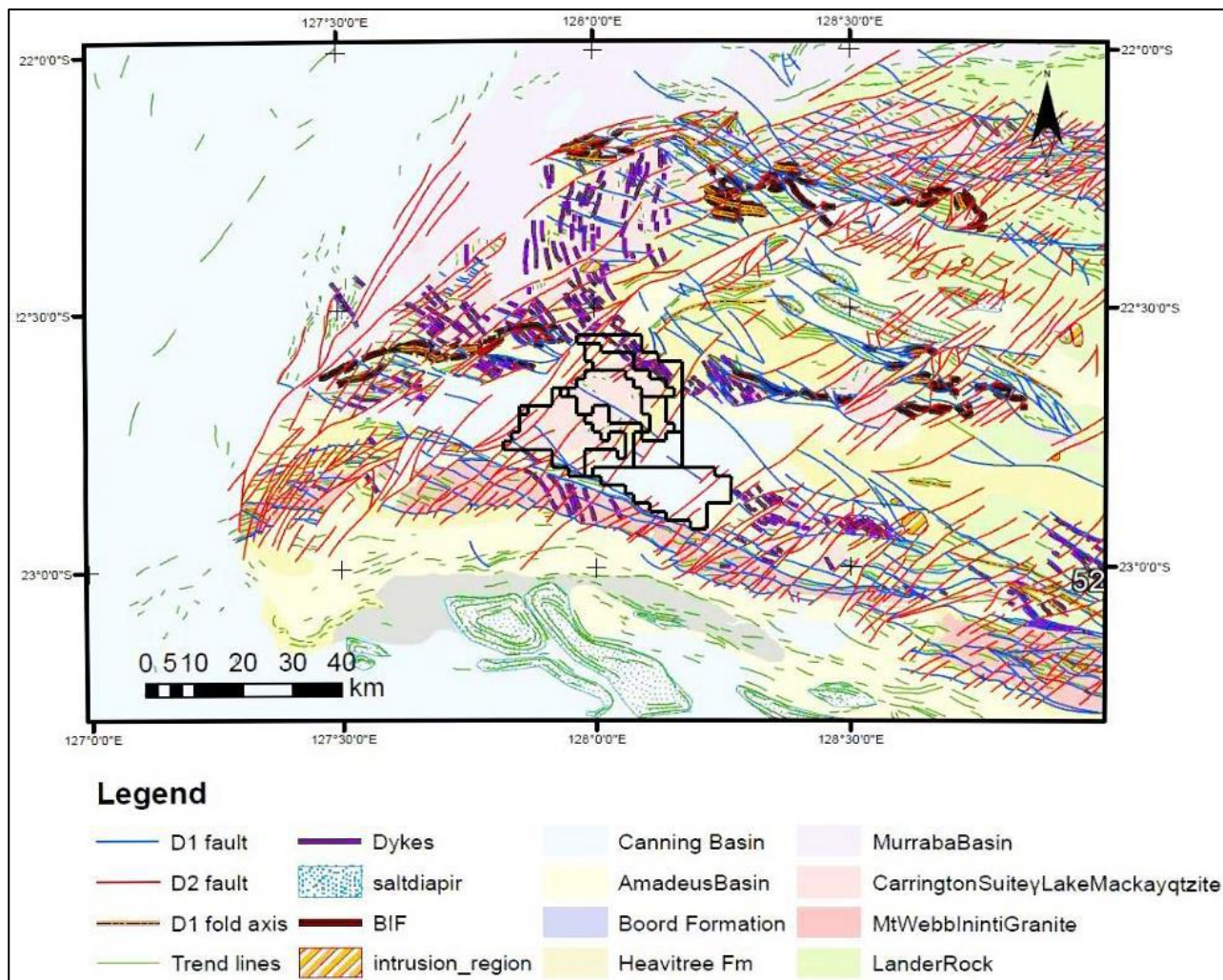


Figure 3.3: Regional subsurface structural setting of the Aileron and Warumpi provinces of the West Arunta Orogen; Webb JV tenements (status as of June 2023) are superimposed

A major crustal suture called the CAS runs adjacent to the southern-most extent of the tenements and it and associated structures are interpreted to have provided conduits for mineralising fluids relating to IOCG deposits, as well as being significant regarding the emplacement of diamondiferous kimberlite pipes. The Canning and Murraba basins are separated by another large-scale fault, the Lake Mackay Fault and together, may represent a triple-point junction, important in the development of orogenic mineral deposits (Source: R. Hall, 2023, after Joly et al., 2011).

3.4 IOCG Metallogeny, Postulated Origins and Mineral Potential

IOCG ore deposits can have enormous geological resources containing significant reserves of base, precious, and strategic metals, and hence are economically attractive targets for mineral exploration (Table 3.1).

Table 3.1: Major global IOCG deposits

Name	Country	Resource tonnes	Cu %	Au g/t	Ag	Contained copper tonnes	Source
Olympic Dam	Australia	10,762,000,000	0.720	0.305	1.284	77,486,400	S&P Market Intelligence
Salobo	Brazil	1,573,200,000	0.607	0.320	NA	9,549,324	S&P Market Intelligence
La Candelaria	Chile	470,000,000	0.950	0.220	3.1	4,465,000	Marschik, Leveille, and Martin, 2000
Marcona	Peru	431,900,000	0.750	NA	NA	3,239,250	S&P Market Intelligence
Mantoverde	Chile	646,100,000	0.474	NA	NA	3,062,514	S&P Market Intelligence

Name	Country	Resource tonnes	Cu %	Au g/t	Ag	Contained copper tonnes	Source
Carrapateena	Australia	238,000,000	1.150	0.556	4.971	2,737,000	S&P Market Intelligence
Palabora	South Africa	623,722,193	0.400	NA	NA	2,494,889	S&P Market Intelligence
Cristalino	Brazil	312,000,000	0.770	0.130	NA	2,402,400	S&P Market Intelligence
Alemao	Brazil	161,000,000	1.300	0.860	NA	2,093,000	S&P Market Intelligence
Hillside	Australia	337,000,000	0.600	0.140	NA	2,022,000	S&P Market Intelligence
Cloncurry	Australia	327,261,000	0.473	0.040	NA	1,547,945	S&P Market Intelligence
Prominent Hill	Australia	150,000,000	0.967	0.680	2.853	1,450,500	S&P Market Intelligence
Ernest Henry	Australia	89,800,000	1.170	0.600	NA	1,050,660	Evolution Mining 2017 Annual Report

The recognition of IOCG deposit types began with the discovery of the giant Olympic Dam deposit in 1975 in Australia, which contains 2,000 Mt at 1.1% Cu, 0.5 g/t Au, 4,000 g/t U₃O₈, and 0.24–0.45% La+Ce (Roberts and Hudson, 1983). This was followed in 1987 by La Candelaria in Chile (470 Mt at 0.95% Cu, 0.22 g/t Au, and 3.1 g/t Ag) (Marschik, Leveille, and Martin, 2000). Deposits are often characterised by more than 20 modal percent of iron oxides and a low content of sulphides. IOCG orebodies are typically linked with large mantle-type granitic intrusions, are breccia-hosted, and are located either proximal or distal to the granitic plutons. A distinctive feature of IOCG deposits is the presence of two distinct fluids during deposit formation:

- A highly oxidised fluid (e.g., meteoric/ground waters).
- Deep-sourced high-temperature brines (magmatic-hydrothermal fluids and/or fluids reacted with metamorphic rocks). In many IOCG systems there is also evidence of volatile-rich fluids during ore formation. The sources of copper, gold, sulphur, chlorine and CO₂ may be either coeval magmas (felsic and/or mafic) or sedimentary and igneous rocks that were leached by the ore fluids, as marked by the presence of sodium-calcium regional alteration zones (e.g., Haynes et al., 1995).

An IOCG deposit (Hitzman et al., 1992) is a generalised term for a varied and diverse family of mineral deposits broadly characterised by the following features (after Williams et al., 2005):

- Copper with or without gold, as economic metals
- Hydrothermal ore styles and strong structural controls
- Abundant magnetite and/or hematite
- Iron oxides with iron/titanium greater than those in most igneous rocks
- No clear spatial associations with igneous intrusions as, for example, displayed by porphyry and skarn ore deposits.

In addition, most IOCG deposits display a broad space-time association with batholithic granitoids, occur in crustal settings with very extensive and commonly pervasive alkali metasomatism, and many are enriched in a distinctive, geochemically diverse suite of minor elements including various combinations of uranium, REEs, fluorine, phosphorous, molybdenum, silver, barium, cobalt, nickel, and arsenic (Williams et al., op. cit.). Uranium-rich IOCG deposits in which uranium is an economic metal are an important yet uncommon subset of the IOCG family. Currently, the Olympic Dam deposit is the only IOCG deposit in which uranium is extracted as a major economic commodity (Hitzman and Valenta, 2005).

Groves et al. (2010) went on to address this diversity and other problems relating to the extreme diversity of deposits previously classified as IOCG deposits, by defining a sub-group of "IOCG sensu stricto" containing >100 Mt of economic copper and gold ore, within a broader group of "iron oxide-associated" deposits. Their broader group included some alkaline intrusion and carbonatite-related deposits such as Phalaborwa (copper) and Vergenoeg (magnetite-fluorite), considered to be end-members of the "iron oxide-associated deposits".

The definition of IOCG deposits by Williams et al. (op. cit.) was revised by Groves et al. (2010) as follows:

- Copper + gold as economic metals
- Hydrothermal characteristics and structural controls, commonly with breccias
- Abundant low titanium-iron oxides (magnetite, hematite) and/or iron silicates (grunerite, iron actinolite, fayalite)
- LREE enrichment and low-sulphur sulphides, including chalcopyrite-bornite-chalcocite and pyrrhotite, lack of abundant syn-sulphide quartz veins and alteration that commonly includes a decreased SiO₂ content of wall rocks, and a temporal relationship with magmatism, yet no close spatial association with causative intrusions.

The geodynamic setting and geologic diversity of the IOCG “clan” of deposits have been widely debated (Williams et al., op. cit., Barton, 2014). Hayward and Skirrow (2010) briefly reviewed tectonic and geodynamic models, for the Gawler Craton, and proposed a distal continental retro-arc environment where earlier subduction-related processes (possibly at c. 1850 Ma) led to metasomatism of the upper mantle. Melts derived from this enriched mantle, driven by a mantle plume or perhaps by removal of lithospheric mantle, resulted in extensive crustal melting and production of high-temperature A-type and I-type magmas associated with K-rich mafic melts between c. 1595 Ma and c. 1575 Ma. In the Gawler Craton, the felsic melts are represented by the Hiltaba Suite and Gawler Range Volcanics, which are temporally and spatially linked to IOCG deposits in the Olympic IOCG Province. In the Curnamona Province to the east of the Gawler Craton, the Benagerie Volcanics and A-type granites on the northern Benagerie Ridge are probably the igneous equivalents of the Gawler Range Volcanics and Hiltaba Suite, respectively (Schofield, 2010). High to extreme paleogeothermal gradients are considered a key driver (energy source) of regional-scale upper crustal fluid flow in major IOCG systems. Regional to crustal scale (hydro)thermal systems and structural discontinuities are necessary to explain the huge scale of the alteration systems and the masses of hydrothermal precipitates in individual IOCG deposits.

Skirrow et al. (2013), state that major IOCG systems may preferentially occur in the hangingwall of boundary zones between crustal blocks, above zones of partial crustal melting and mafic underplating (Figure 3.4). Fluid flow is enhanced by juxtaposition of earlier rift basins with this high-temperature melt province. Pre-existing basinal structures and second-order cross structures (e.g., conjugate fault sets) localise dilational deformation, brecciation (at high crustal levels), and fluid flow. The intersections of second-order faults with crustal-scale terrane boundaries are favoured locations for IOCG systems.

The mineralogical classification of IOCG deposits is complex. Geochemical variations can be described by the patterns of co-variation of hydrothermal minerals in terms of variations in:

- Oxidation–reduction (redox) characteristics of the observed mineral assemblages
- The ratio of iron-oxides to iron-sulphides which relates mainly to the sulphur contents of the hydrothermal fluids relative to iron.
- The relative timing of iron-oxides and copper-iron sulphides.

These three parameters are illustrated schematically in Figure 3.5 as the “IOCG-ISCG² cube”.

² Iron sulphide-copper-gold

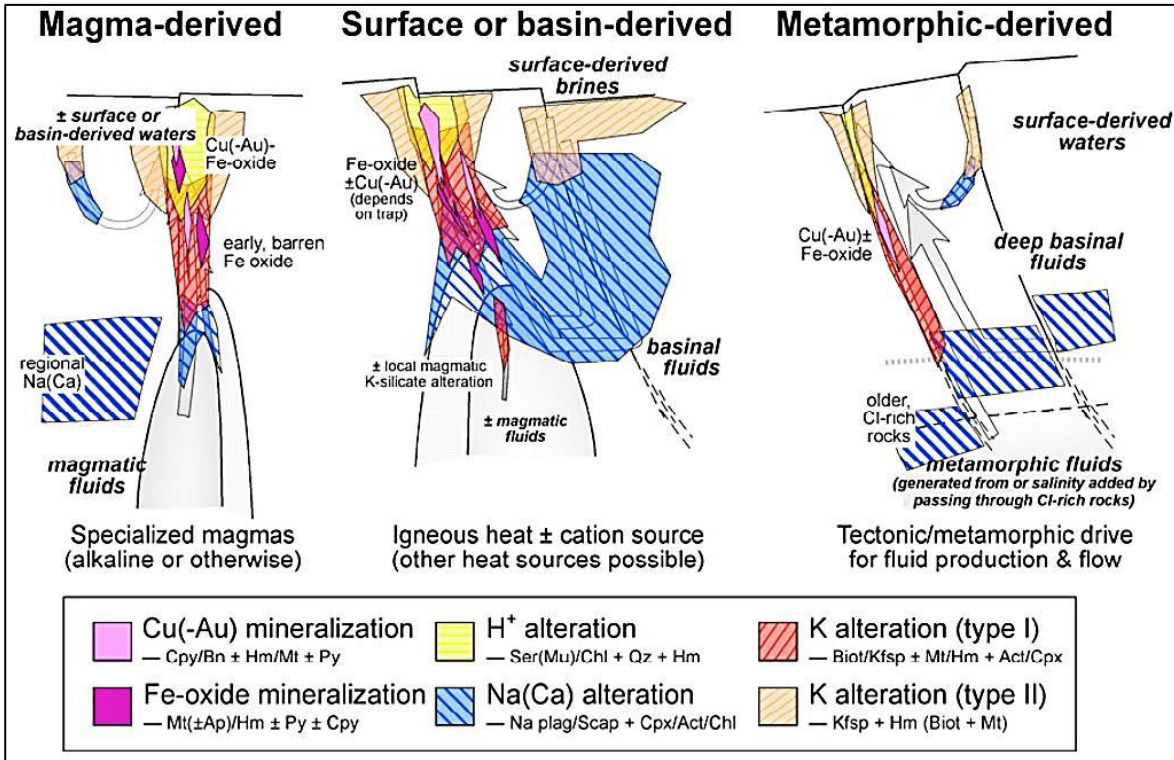


Figure 3.4: Diagrammatic sketch of the main characteristics of IOCG mineral systems, illustrating the relative location of deposit types within the overall setting, and the likely distribution of critical and other commodities within and around these deposit types

Note: Deposits show far more varied geometries that are illustrated here. Multiple fluid sources are possible in all cases. Source: Barton, 2014.

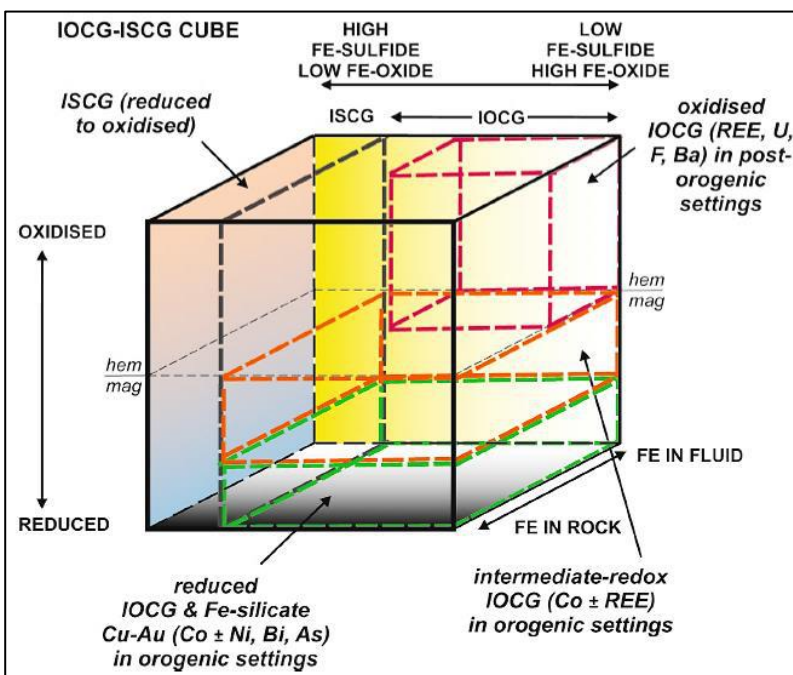


Figure 3.5: 3D depiction of IOCG and ISCG (iron sulphide-copper-gold) deposit mineralogy showing generalised volumes representing three mineralogical-geochemical sub-types of deposits (oxidised, intermediate-redox and reduced) in different tectonic settings

Note: The axes are based on predominance of iron-oxide vs iron-sulphide minerals in copper-gold orebodies (X-axis), interpreted redox formation conditions of key Fe-Cu-O-S minerals (y-axis), and interpreted source/timing of Fe (Z-axis). Source: Skirrow et. al., 2022.

3.4.1 IOCG Exploration Potential of the West Arunta Orogen

Major IOCG deposits occur widely in space and time (e.g., Groves et al., 2010) and are summarised in Figure 3.6. The orogenic-related setting of IOCG and related deposits is subdivided into "orogenic" and "post-orogenic" settings in terms of regional and hydrothermal events (these settings are partly similar to the three tectonic settings proposed by Hitzman (2000), namely "intra-continental orogenic basin collapse", "intra-continental anorogenic magmatism" and "extension along a subduction-related continental margin" (Figure 3.7). Australia hosts a large proportion of these, typified by the Olympic IOGC Province along the eastern margin of the Gawler Craton in South Australia and the Cloncurry District in the eastern Mount Isa Inlier of northwest Queensland.

A relatively new and under-explored potential IOCG province is that of the southern and western Arunta region (i.e., Joly, et al., 2011; Joly et al., 2013).

The Arunta geological region is represented by Proterozoic metamorphosed sediments and intrusions consisting of geological provinces within the Aileron and Warumpi provinces. The Webb Project is uniquely placed within favourable geological (i.e. 1640 ± 7 Ma Mount Webb granite and 1677 ± 6 Ma felsic volcanics of the Pollock Hills Formation) as well as district-scale tectonic/structural geometries of the West Arunta Orogen, which has facilitated the formation, deposition and preservation of both kimberlite intrusions (CGN), carbonatites (WA1 Resources Ltd ("WA1") and Encounter Resources Ltd ("Encounter")) and potential large-scale IOCG mineralisation (e.g. Schofield et al., 2013; Aitken et al., 2018; Skirrow et al., 2019), the latter having been confirmed by the published drill results of some current explorers (e.g. Rincon Resources Ltd ("Rincon") and Norwest Minerals). In addition, the West Arunta Orogen is characterised by an intracontinental gravity ridge associated with a deep-crustal lineament defined as the CAS which separates the Aileron and Warumpi provinces of the Northern Territory's south Arunta region where it extends westwards into the Webb Project area and which regionally, has been proven to host both diamond and base metal (IOCG-style) occurrences (Figure 3.8).

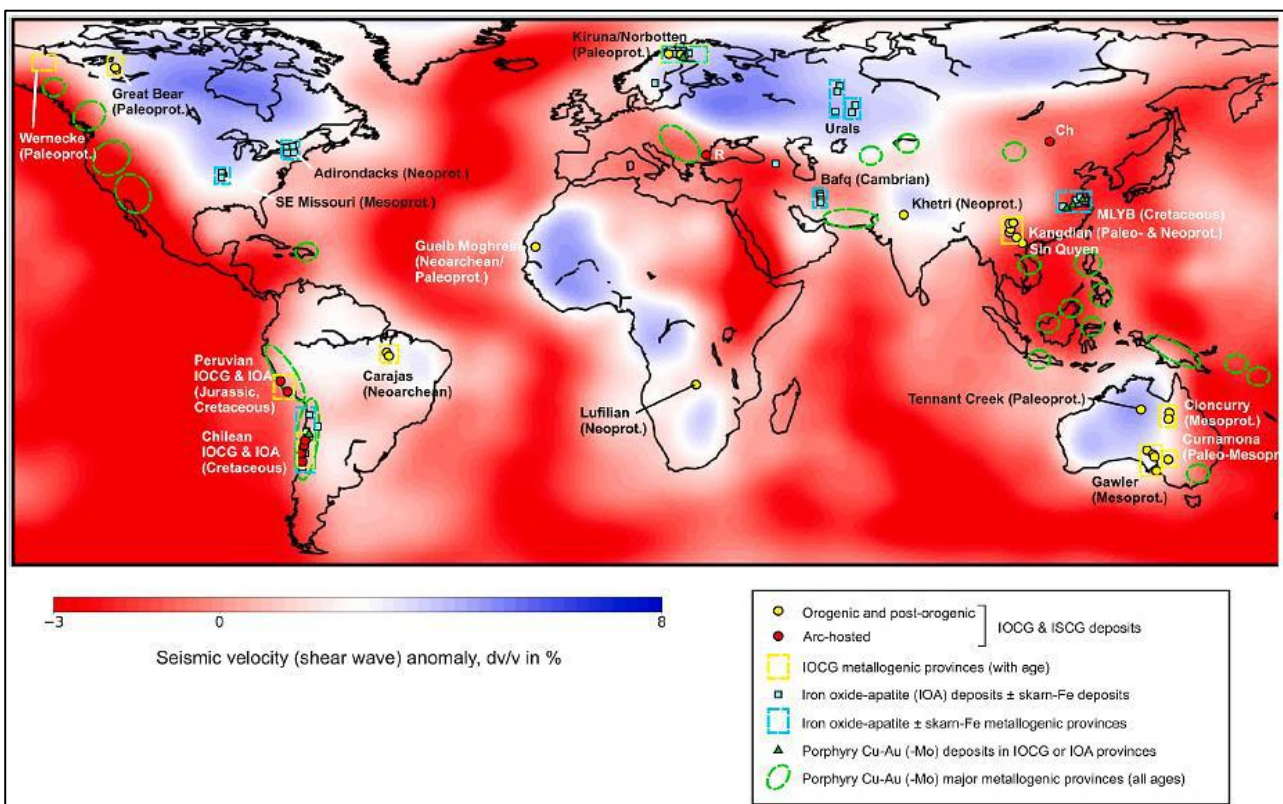


Figure 3.6: Locations of global major IOCG and ISCG deposits and provinces

Source: Skirrow, 2022

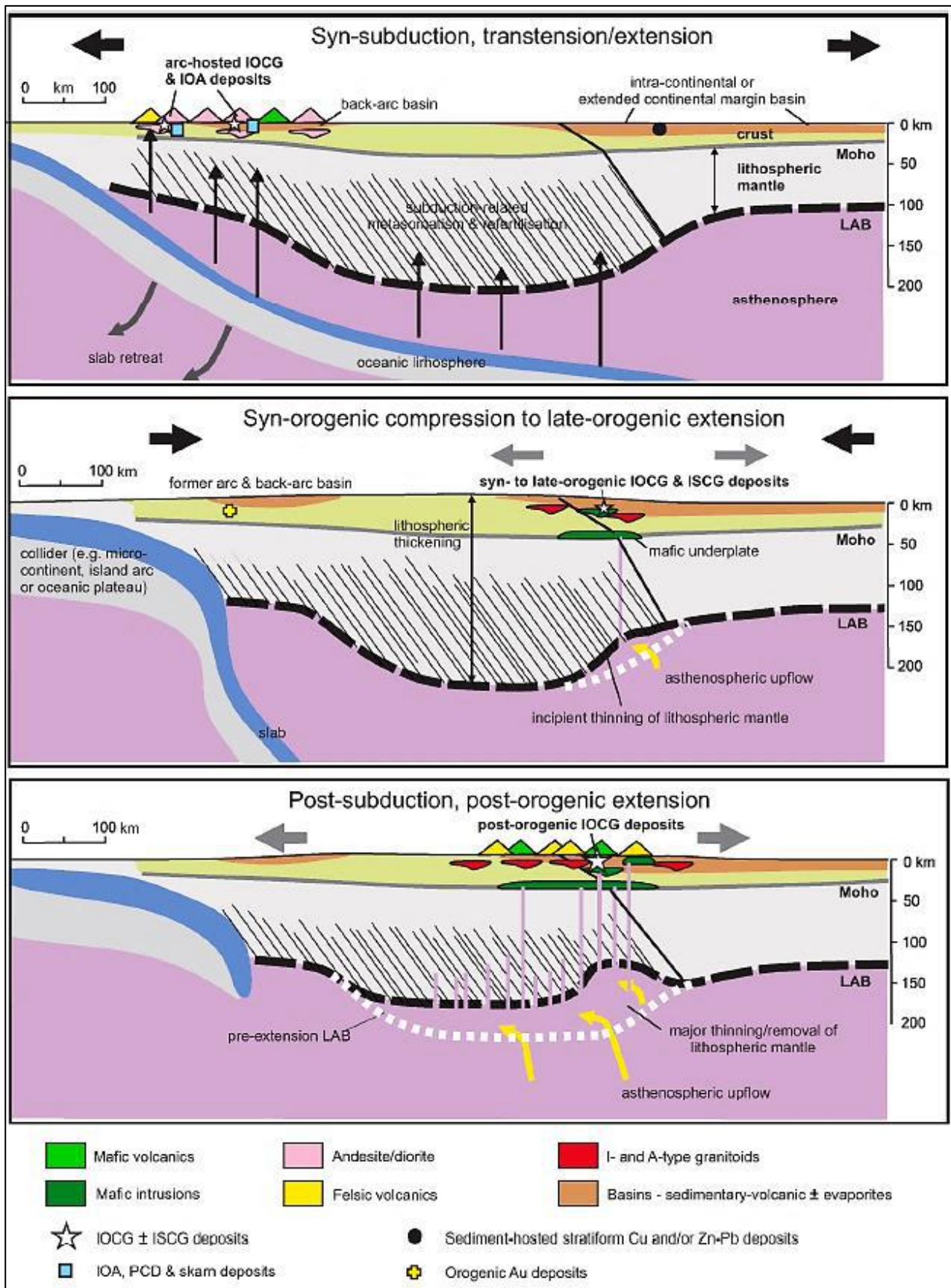


Figure 3.7: Schematic tectonic settings and geodynamic evolution of IOCG deposits in copper-gold-iron mineral systems

Top panel: Arc-hosted IOCG and iron oxide-apatite (IOA) deposits. Middle panel: orogenic IOCG and ISCG deposits. Lower panel: post-orogenic IOCG deposits. Source: Skirrow, 2022.

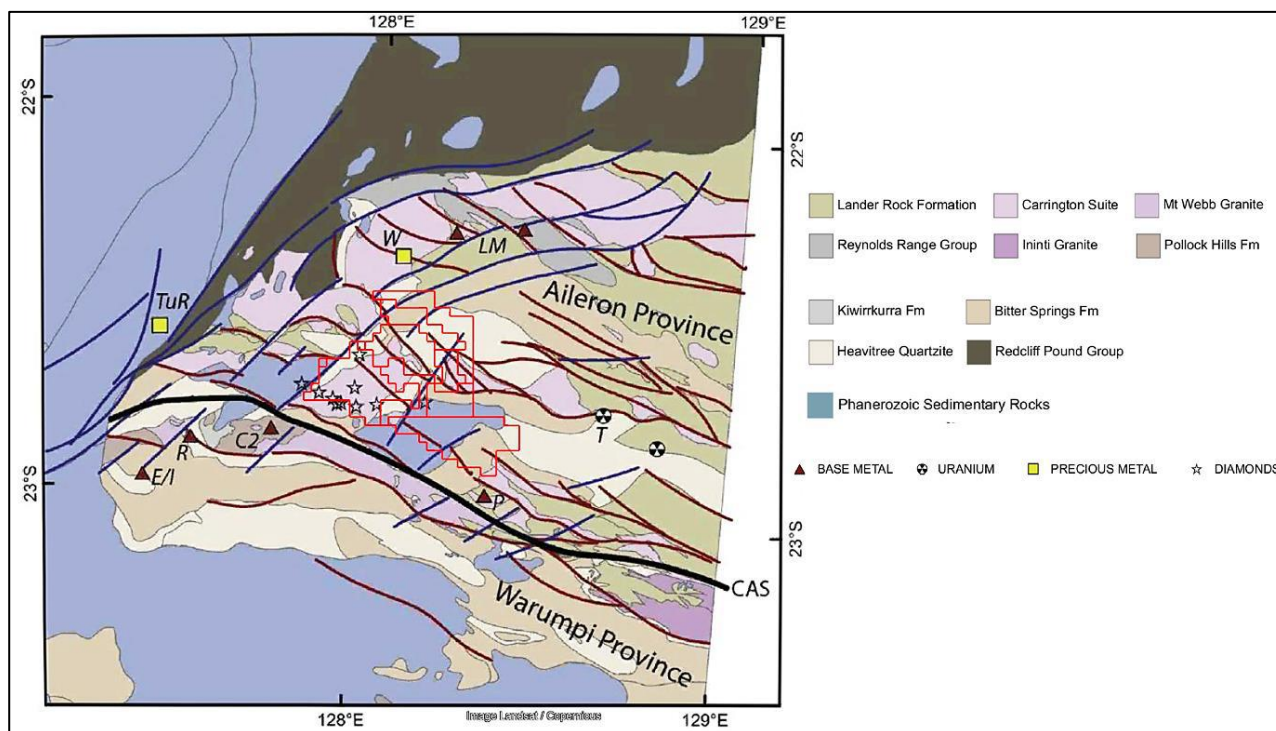


Figure 3.8: Webb Project – CGN live tenements overlain on West Arunta Orogen geology, mineral deposits, and structure

Note: Copper, gold (IOCG) and clustered diamond deposits occur in the locality of the Webb tenements (refer legend). Thick black east-west line is the CAS. (Modified from Aitken et al., op. cit.). A possible triple-point junction occurs with the Lake Mackay Fault (north-south trending blue line at left) to provide district-scale structural geometry for enhanced IOCG prospectivity (Source: R. Hall, after Aitken et al., 2018).

The whole of the South Arunta Province is interpreted to be in a plate-margin proximal and possibly convergent margin setting (Aitken et al., 2018), another favourable geodynamic attribute for both enhanced IOCG-style prospectivity (Figure 3.9) and the formation of diamondiferous kimberlites where deeper level mineralisation is focussed along strain gradient faulting between compressional zones. To date, the West Arunta Orogen has proven copper-gold-silver mineralisation at Mount Webb and a primary source of diamond mineralisation has been tentatively proven by CGN (Section 6).

Located in remote east-central WA, the West Arunta Orogen is one of the least-studied and least understood areas in the State (Joly et al., op. cit.). Due to its remoteness and lack of outcrop, the geology and geological history of the West Arunta Orogen is poorly understood and its exploration potential largely undefined (Stagiary et al., 2013).

Apart from its diamond potential, the West Arunta Orogen, comprising the Warumpi and Aileron structural provinces, is currently being targeted for gold and base metal occurrences (Figure 3.8). The occurrence of IOCG-style deposits in the West Arunta Orogen was promoted by Wyborn et al. (1998), whose research newsletter (number 28) suggested “a newly discovered” granite alteration system in the Mount Webb Granite, along with magmatic alteration effects (sodic-calcic (diopside and epidote), sericitic and haematitic K-feldspar) in country rock felsic volcanics of the adjacent Pollock Hills Formation. Significantly, the alteration characteristics are like granites of the metallogenically significant Williams Batholith (eastern Mount Isa Inlier) and the Hiltaba Suite of the Gawler Craton, with respect to their hydrothermal copper and gold deposits. Importantly, the zone of alteration was prominent in the Mount Webb Shear Zone, and a linear shear zone southeast of Mount Webb (Wyborn et al., 1998; Figure 3.10) which is now known to extend into the project area as the deep-seated CAS and associated West Arunta Orogen structures.

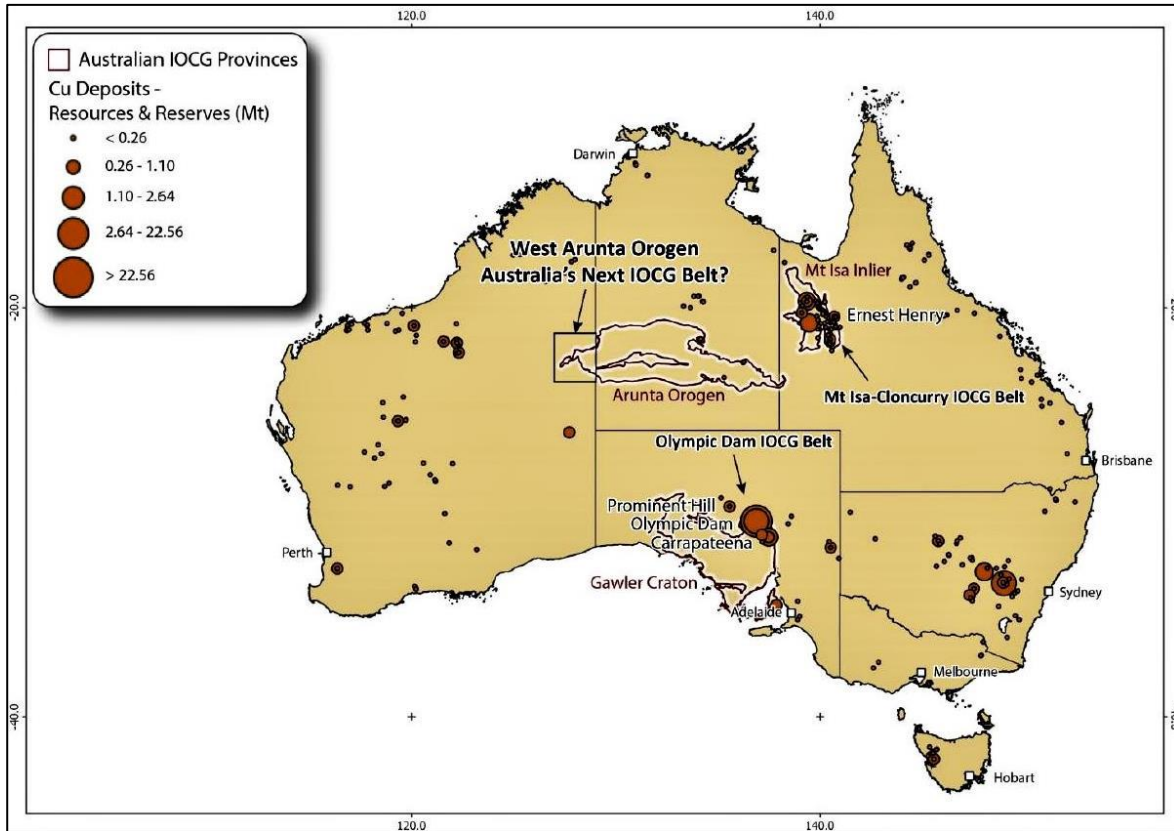


Figure 3.9: IOCG provinces and deposits of Australia; the Webb Project tenements lie within the West Arunta Orogen, extending into WA

Note: The region is being promoted a new IOCG district (image from WA1 presentation, 2022 after Australian Geological Survey Organisation, Lesley Wyborn et al., 1996/5)

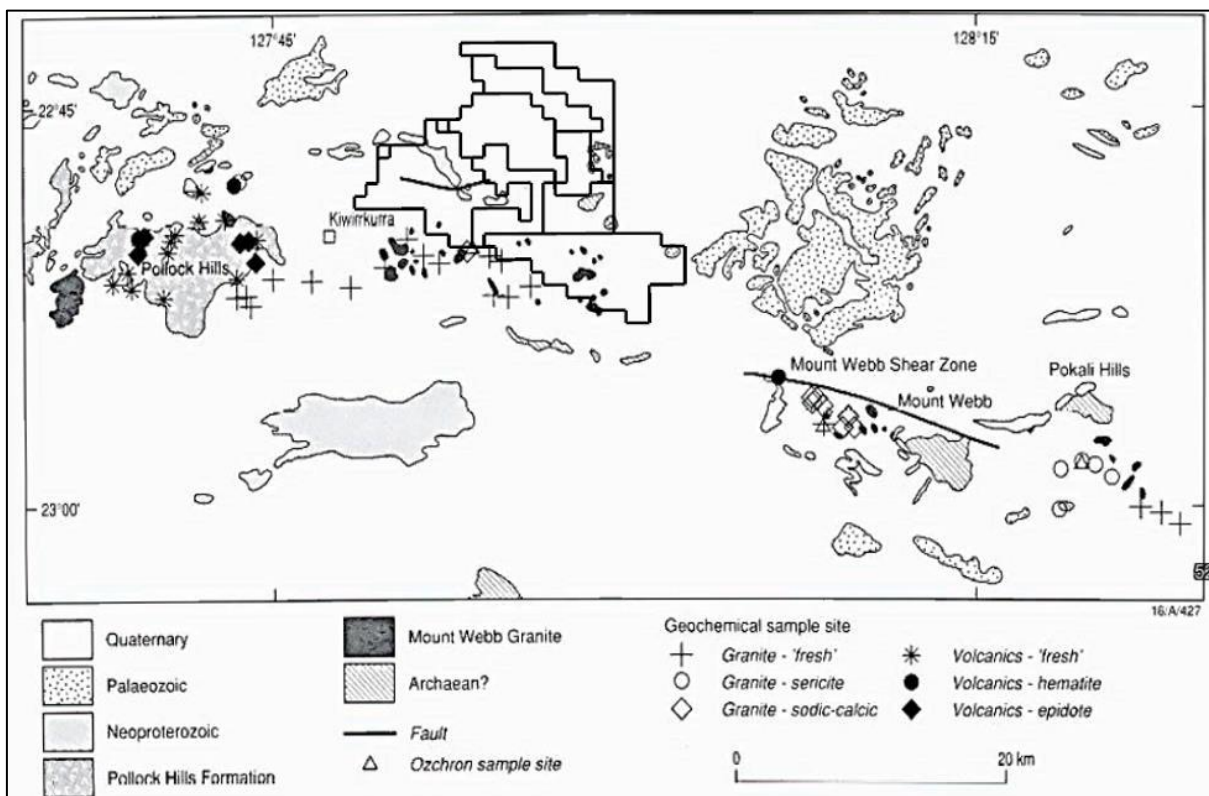


Figure 3.10: Geology of the Mount Webb region based on Blake (1977) (source: R. Hall)

Note: The magmatic alteration of the Mount Webb (along the Mount Web Shear Zone) and Pollock Hills Formation is in the proximity to what is now known as the regionally significant CAS, separating the Aileron structural province to the north of it, from the Warumpi Province to the south (Wyborn et al., 1998).

Wyborn et al. (1998) noted a late-stage metasomatic alteration (quartz-tourmaline) and sericite alteration phase in the Mount Webb Region. Alteration noted contained magnetite and pyrite grains, but significantly, visible malachite (up to 348 ppm Cu). Metasomatic quartz veins contain sulphides comprising pyrite and galena. The principal conclusion reached by Wyborn et al. (op. cit.), was that of the felsic magmas of the Mount Webb region resemble those of other Proterozoic copper-gold mineralised areas. In 2002, Wyborn again noted "Recent exploration results have confirmed that this truly 'greenfields' area may have some economic significance". CGN has recorded several base metal drill intercepts during exploration at the Webb Project. These include anomalous copper values up to 0.23% Cu and nickel values of as much as 1.13% Ni (refer to Section 6 for more details).

Work conducted in the Arunta Region by Geoscience Australia, the Northern Territory Geological Survey, and the minerals industry (e.g., Huston et al., 2012; Whelan et al., 2012) suggests this area has potential for hosting IOCG deposits.

The Arunta Region spans WA, the Northern Territory and Queensland and is subdivided into three provinces based on distinct igneous and sedimentary protolith ages and tectonothermal histories: the Aileron Province, the Warumpi Province and the much younger Irindina Province (Scrimgeour, 2003). The 1860–1700 Ma Aileron Province and the 1690–1600 Ma Warumpi Province consist of metasedimentary and mafic to felsic igneous rocks and have both experienced several metamorphic and deformation episodes (Figure 3.3, Figure 3.8). The two provinces are separated by a series of major faults collectively known as the CAS (Close et al., 2005). IOCG-style mineralisation in the Arunta Region shares a similar geological setting to other IOCG-hosting provinces and occurs in several places along the length of the CAS. It appears that the D1 structures (Figure 3.3) and particularly the CAS, may control mineralisation to a large extent (Joly et al., 2013).

3.4.2 Geoscience Australia Prospectivity Analysis for IOCG-Style Exploration

The Arunta Region has a very limited history of mining and exploration, and although several mines have operated, total production is low (Joly et al., op. cit.). The deposits mined include gold, copper, lead and zinc, tin-tungsten-tantalum, fluorite, and mica. Exploration has been limited, partly due to poor outcrop, isolation, and a perception that the region is too highly metamorphosed to host significant deposits. The West Arunta Orogen has the potential to host significant mineral resources including gold, based on the occurrence of sub-economic mineralisation elsewhere in the orogen, such as in the Arltunga and Winnecke goldfields, east of Alice Springs. A significant geochemical gold anomaly (Wyborn et al., 1998), and base-metal and gold occurrences are associated with the 1640 ± 7 Ma Mount Webb granite (metaluminous I-type) and the 1677 ± 6 Ma felsic volcanics of the Pollock Hills Formation. A second set of occurrences is located near Lake Mackay, associated with the c. 1770 Ma Carrington Suite (Figure 3.1). Lead-zinc mineralisation in the Amadeus Basin nearby is associated with the Bitter Springs Formation. The West Arunta Orogen also hosts uranium and diamond deposits (Joly et al., 2013).

The major mineralising episodes are:

- Paleoproterozoic (c. 2500–1600 Ma): Volcanic hosted massive sulphide; carbonate replacement zinc-copper-lead, pegmatite-hosted tin-tantalum-tungsten, IOCG, mafic magmatic-hosted nickel-copper sulphide and vanadium-titanium magnetite, and felsic magmatic-related molybdenum-tungsten, REE and uranium systems.
- Mesoproterozoic–Neoproterozoic (c. 1600–540 Ma): Mesothermal tungsten, REE, phosphorous, uranium, thorium, copper, and silver mineralisation.
- Palaeozoic (c. 540–240 Ma): Intrusion-related REE, uranium, thorium, and nickel-copper, shear zone-hosted copper, and mesothermal gold.

Schofield and Houston (2013), reported work undertaken by Geoscience Australia that used a mineral systems framework to predict the potential for IOCG-style occurrences in the southern and western Arunta Region (Figure 3.11 to Figure 3.15).

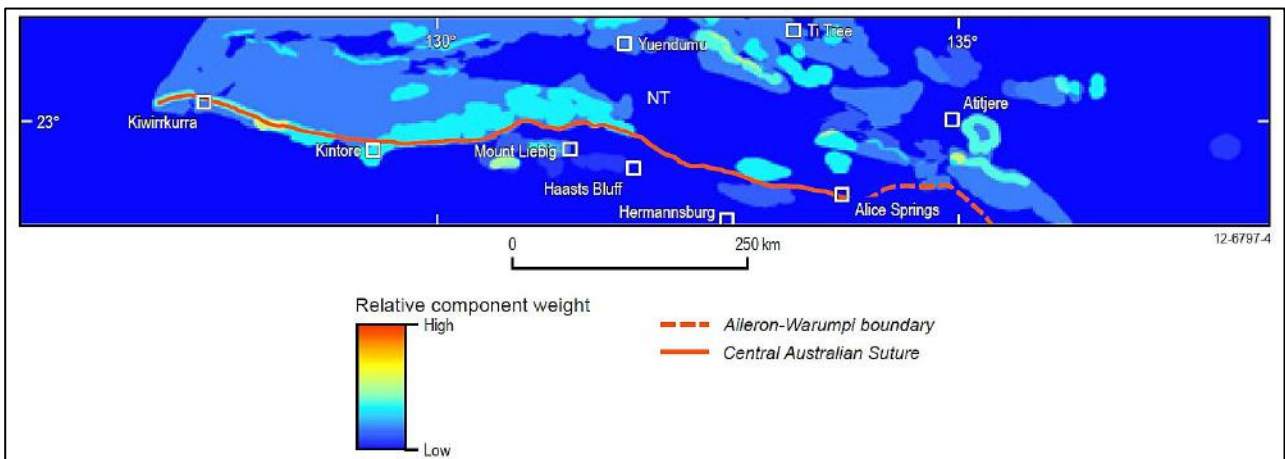


Figure 3.11: Map of relative component weight for metals, fluid and ligand sources, southern Arunta Province (Schofield and Houston, op. cit., 2013)

Note: The Webb JV tenements lie directly north of Kiwirrkurra to the west.

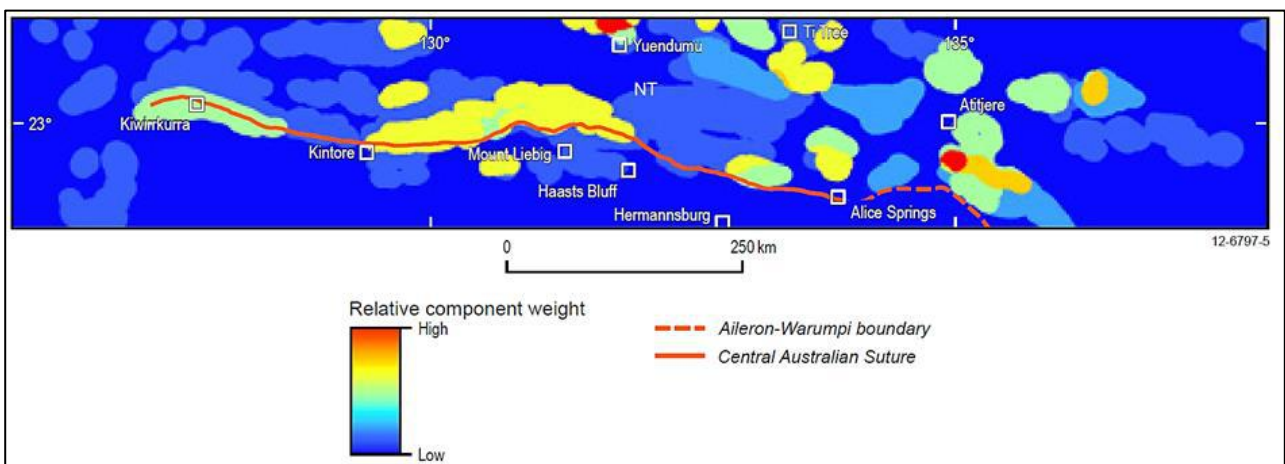


Figure 3.12: Map of the variation in potential for fluid flow drivers (Schofield and Houston, op. cit.)

Note Kiwirrkurra at western end (Schofield et al., 2013).

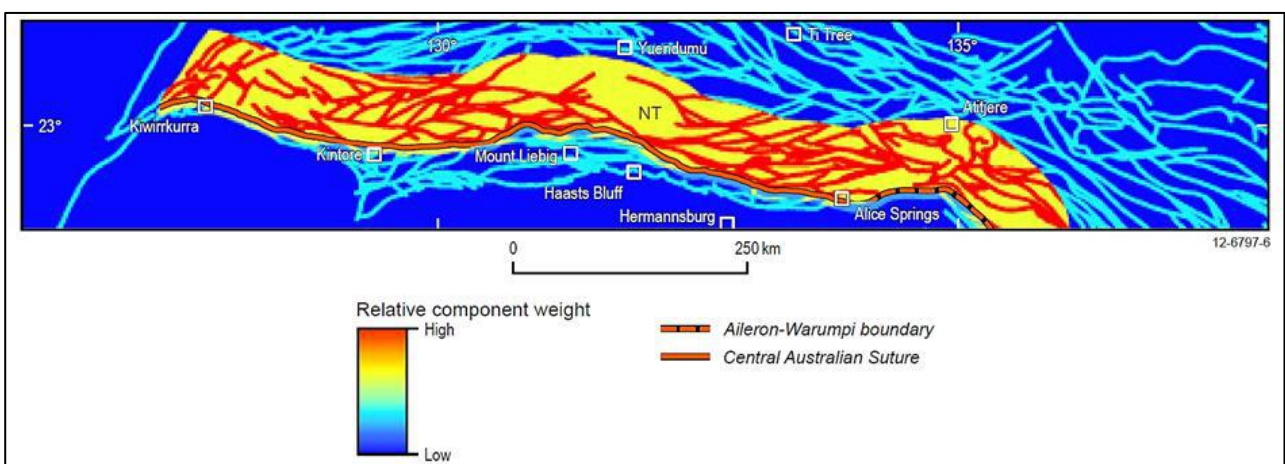


Figure 3.13: Map of the variation in potential for fluid flow drivers of structural and architectural system component (Schofield and Houston, op. cit., 2013)

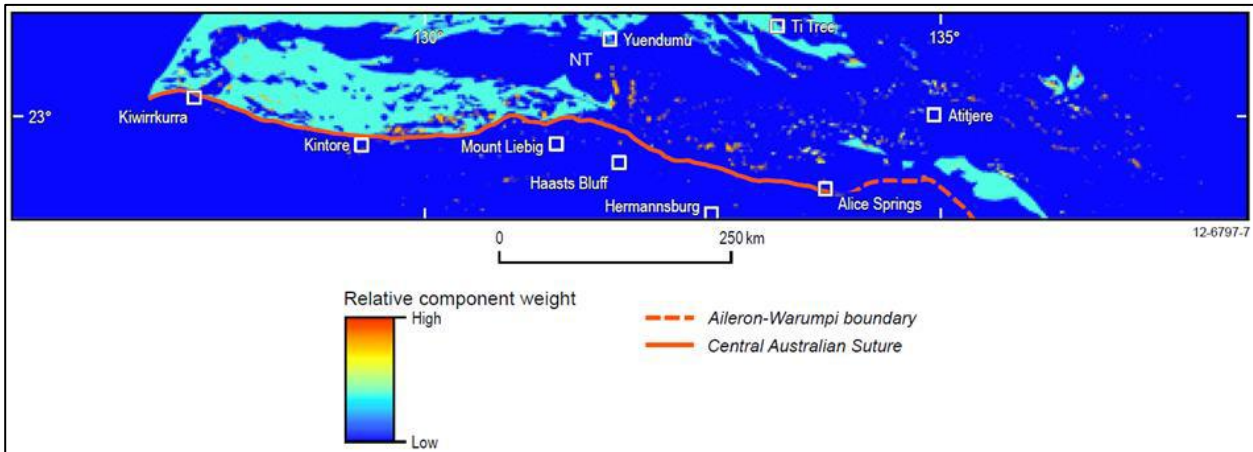


Figure 3.14: Map of the variation in potential for the depositional sites and mechanisms systems component (Schofield et al., op. cit., 2013)

Essentially, the minerals system approach employed by Geoscience Australia utilised four key dependent variables (Figure 3.12 to Figure 3.15), being:

- Sources of metals, fluids, and ligands
- Fluid-flow drivers
- Fluid-flow pathways and architecture
- Depositional sites and mechanisms.

Broadly, each of these criteria identified favourable geological processes that translated into mappable proxies with each assigned three factors with a weighting between zero and one. The result (Figure 3.15) identified 10 prospective zones, several of which were already known to contain known IOCG or copper-gold prospects. Importantly, one of the prospective zones (Zone 2) incorporates the area within and around the Webb JV tenement mineral holdings.

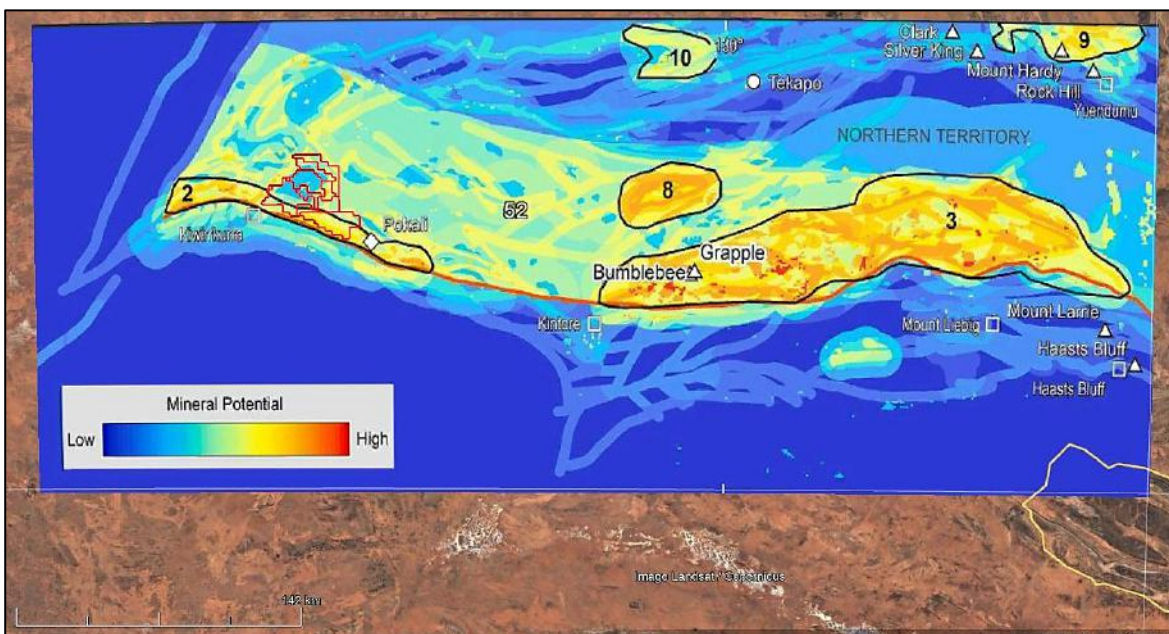


Figure 3.15: Summary of IOCG modelled potential of the southern and western Arunta region, Northern Territory (Webb JV tenements superimposed)

Note: Numbered areas outline high IOCG potential (i.e., Zone 2). Zone 2 is associated with IOCG-style mineralisation in the Mount Webb area of WA and is associated with the Mount Webb Granite. (Modified from Schofield and Huston, 2013). White diamonds (i.e., the Pokali prospect in Zone 2), are known IOCG prospects (Schofield et al., 2013).

In direct support of the Geoscience Australia work, a prospectivity analysis of the West Arunta Orogen utilising the assay results of 500 regolith samples collected by the Geological Survey of Western Australia ("GSWA"), over and adjacent to the CAS, and assayed for elemental metals, was concluded in 2013 (Figure 3.16 to Figure 3.18). The samples were plotted as selected individual elements and as a combination of elements, that showed a strong relationship between gold, granite and known mineralisation sites, regardless of the sample medium (Spaggiari et al., op. cit.).

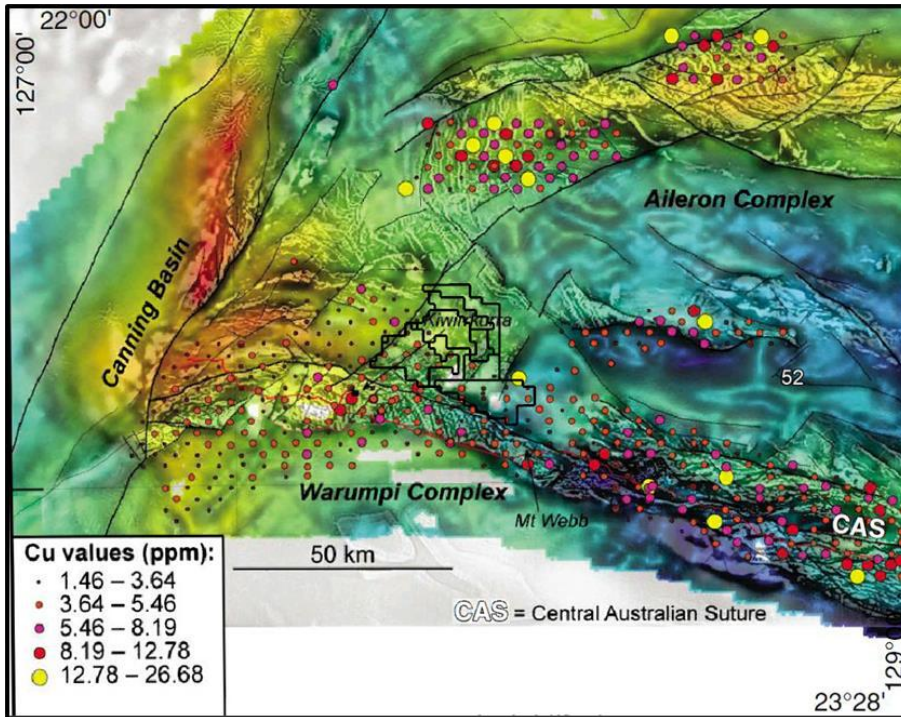


Figure 3.16: Regolith samples showing elemental copper-only assays (Webb JV tenements superimposed)

Source: After Spaggiari et al., 2008

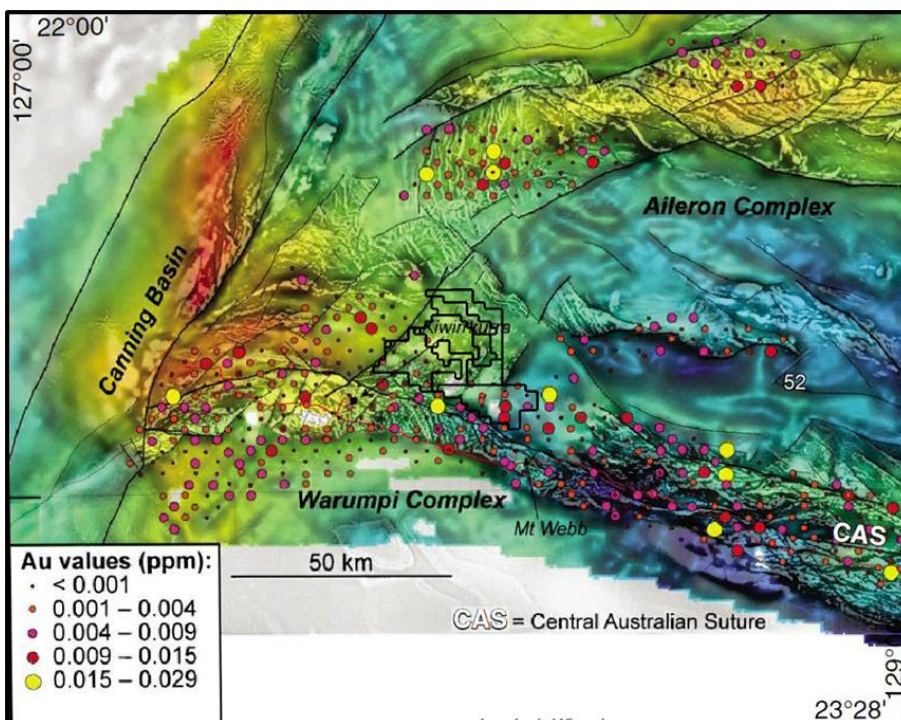


Figure 3.17: Elemental gold values in the regolith

According to Spaggiari et al. (op. cit.), these accurately reflect the bedrock values (Spaggiari et al., 2008).

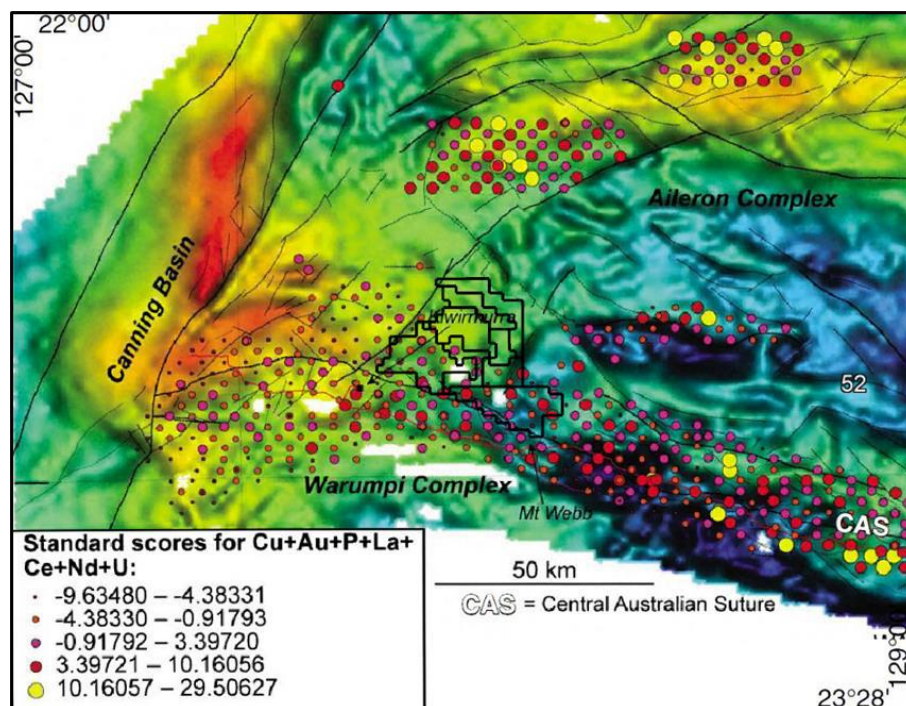


Figure 3.18: Combined elemental assay values in the regolith

Source: Spaggiari et al., 2008

In their publication, Spaggiari et al. (2008) further state that the scale (i.e., sampling frequency) of the regolith samples recovered by GSWA is sufficient to show that there was no dislocation between regolith and the protolith bedrock, i.e., the samples collected were deemed in situ and representative of the subsurface geology and no component of mass movement, fluvial or aeolian transport was indicated. Their conclusion was that any gold or copper content from samples collected in the regolith, can be viewed as a direct correlation of the underlying protolith bedrock mineralisation. Whilst thick aeolian dunes over the northern portion of the Webb Project area precludes any regolith being accessible for sampling, MTGS suggests that these geochemical maps could be used as predictor maps over the balance of the project, when used in conjunction with the modelled Geoscience Australia mineral pathway maps (Figure 3.11 to Figure 3.15).

3.5 Diamond Potential

IOCG potential is based on the same geotectonic foundations as that for diamond exploration at the Webb Project. There is good evidence and numerous examples to show that kimberlite emplacement is related to major deep faults or shears (mobile zones) that traverse the entire crust and may even traverse the lithosphere. Kimberlite and lamproite emplacement are favoured by transcurrent or extensional reactivation of these faults. The transcurrent reactivation may be a part of continental rifting, such as that displayed by the CAS and Lake Mackay faults and thus, the kimberlites at the Webb Project have been emplaced for the same fortuitous reasons as the suspected IOCG deposits have been.

An initial interpretation of a WA regional airborne aeromagnetic survey conducted on 400 m line spacings, resulted in CGN identifying a cluster of some 50 "bullseye" aeromagnetic targets, which was to be later refined to a cluster of 280 potential kimberlite pipe targets (Figure 3.19). The discovery of a potential new diamond field, some 400 km² in extent, formed the basis for ongoing exploration activities. This clustering of kimberlite intrusive bodies is a recognised characteristic feature of most of the major diamond fields around the world, including the Ellendale Diamond Field, also located in WA.

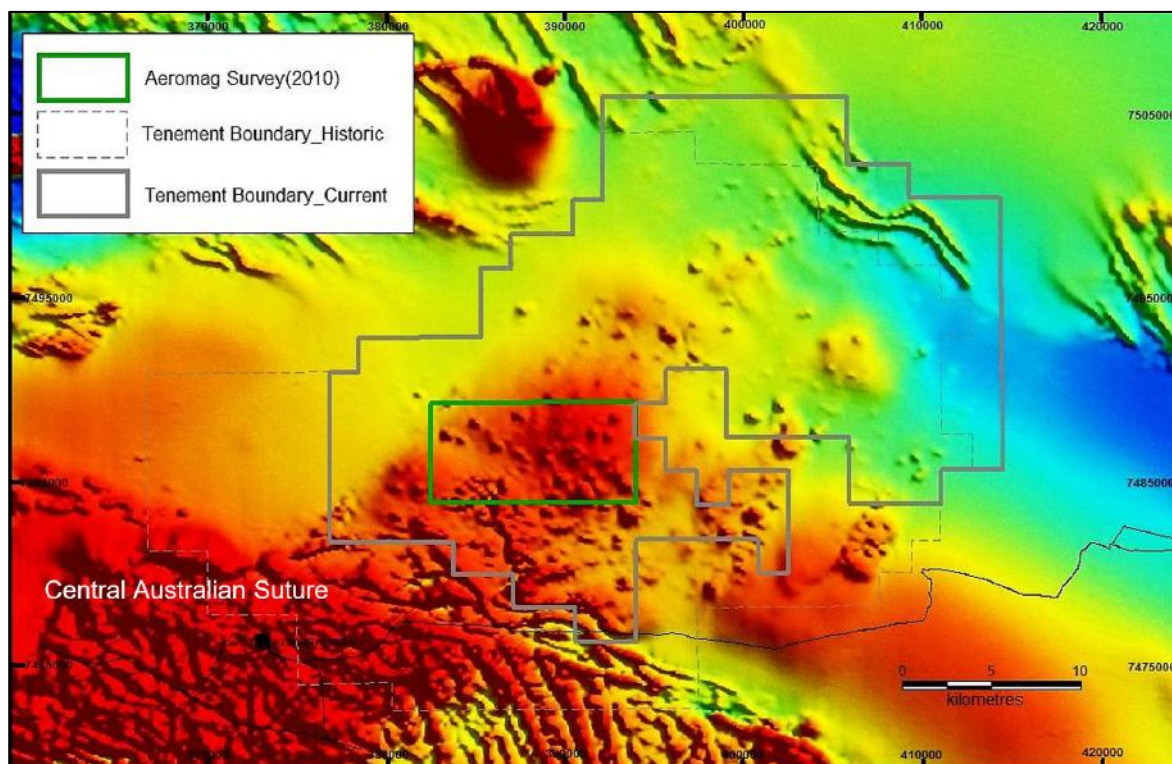


Figure 3.19: Regional GSWA TMI data, 400 m line spacing

Note: These data indicate the distribution of a number of discrete intrusive bodies, interpreted to represent a potential field of kimberlites or lamproite, from their magnetic signature. A major crustal lineament, the CAS is seen at lower left. This feature represents the southern margin of the North Australian Craton. Tenement outlines c. 2013–2014 (CGN, 2023).

Cratonised regions of the lithosphere, i.e., those parts of the craton that are long-consolidated and tectonically stable and that have acted as a focus for kimberlite magmatism, are defined as kimberlite provinces. These provinces consist of one or more kimberlite fields. Generally, cratons have an older core (>2.4 Ga), to which have been fused younger (>1.0 Ga) mobile belts of deformed rocks. This process of accretion of mobile belts to the older cores is termed cratonisation. The resulting structures subsequently act as rigid blocks with respect to younger tectonic events. Cratons are typically covered with Phanerozoic platform sediments and associated continental volcanics. In 2010, 6,500 kimberlites were catalogued worldwide, of which less than 3% were known to be diamondiferous (De Wit, 2010). At this time, c. 450 kimberlites and related rocks were recorded in Australia (De Wit, op. cit.). This number has risen significantly with the Webb JV kimberlite discoveries. It is an established fact that most kimberlites are non-diamondiferous. Thus, having established that the clustered intrusives at the Webb JV were indeed kimberlite, the ongoing focus for CGN has been to determine whether the Webb kimberlites are grouped with those 3% of known diamondiferous and economic occurrences.

A kimberlite field is defined as a geographically and genetically closely related group of kimberlites of similar age and all the kimberlites within a given field are likely to have been derived from a single source in the mantle. Most kimberlite fields have an average diameter in the order of 40 km (Janse, 1984), and an arbitrary diameter of 50 km is assumed as a useful working limit. As with the Webb kimberlite occurrences, a kimberlite field may consist of up to several hundred individual kimberlite intrusions and petrographic and textural variations evident within a field, is due to the result of diverse styles of intrusion and differentiation of different batches of magma. Thus, each field may exhibit considerable inter-kimberlite diversity with respect to the petrology of the intrusions and most importantly, their diamond, megacryst, and mantle-derived xenolith content (Mitchell, 1986; Figure 3.20). Moreover, a distinctive feature of such fields is the occurrence of kimberlite clusters. Each cluster is composed of 1–20 distinct intrusions lying in close proximity, and as with the kimberlite field, each cluster will exhibit similar diversity in mineralisation, geochemistry and even age of emplacement.

Thus, it is at this level of resolution that CGN had previously been focused on locating one or more mineralised kimberlites within the cluster. The microdiamonds and kimberlite indicator minerals ("KIMs") recovered to date, have the appropriate geochemistry that indicates the presence of one or more diamondiferous pipes within the large field. In terms of diamond mineralisation, variations in a kimberlite field or cluster (i.e., whether a pipe is barren or mineralised) is largely driven by proximity to the diamond-graphite interface. An equally important condition is favourable geothermobarometric conditions, usually found deeper and toward the continental keel (cratonic root) and away from the continental weld, typified by a large continental suture, i.e., mega-faults, or a collisional mobile belt on the craton margin. According to Mitchell's model (Figure 3.20), the potential for diamond mineralisation should increase away from the CAS, toward the continental keel. The recovery of larger microdiamonds and chromites exhibiting favourable DI geochemical signatures to the north of the tenements, i.e., at the furthest northern extent from the CAS, seems to circumstantially corroborate the theory.

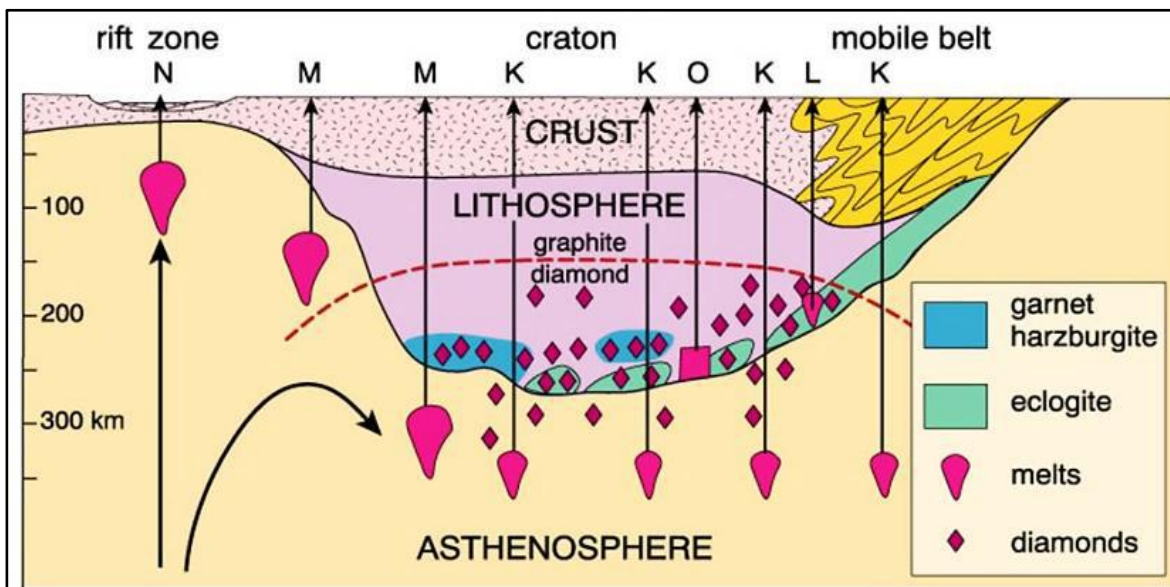


Figure 3.20: Generalised kimberlite genesis model, relative to Webb diamond inclusion field KIM and micro-diamond occurrences

Showing potential for diamond preservation increasing away from terrane boundary (modified from Mitchell, 1995). M = mellites; K = kimberlites; O = orangeites; L = lamproites. Orange area is a mobile belt, hosting a deep-seated thrust fault (f) as an edge feature of the cratonic (accretionary) weld (Mitchell, 1986).

4 PREVIOUS EXPLORATION

There is relatively limited open file data pertaining to mineral exploration undertaken both within the project area and within the surrounding areas. Most historical exploration has focused on the Mount Webb granites for potential IOCG-style mineralisation, with previous exploration for diamonds limited to an attempt by BHP Minerals Pty Ltd ("BHPM") to test the magnetic anomalies and was the focus of previous work by GeoCrystal. Meaningful work conducted by CRA Exploration Pty Ltd ("CRAE"), led to a key discovery of what was then interpreted to be a biotite lamprophyre, having "minette-lamproite affinities".

4.1 CRA Exploration Pty Ltd (1993 to 1994)

CRAE exploration activities commenced in mid-1993 with the flying of an airborne magnetic survey. Four magnetic anomalies from the Jolly Peaks aeromagnetic survey were identified within E80/1593 (Gibson 1), E80/1594 (Gibson 2), and E80/1 669 (Gibson 88). Eight additional exploration licences were subsequently taken out to secure the area surrounding these exploration licences. Follow up of the anomalies included the assessment of aeromagnetic data, ground magnetic surveys and surface indicator mineral sampling. The results of these investigations led to the selection of two anomalies for drill testing and three holes were drilled into these to test for kimberlite pipes. The source of both magnetic anomalies was identified to be secondary magnetic detritus within Permian-aged gravels.

As part of a broader diamond search, application was made for Geoscientific permits across the Western Amadeus Basin during 1993 and 1994. The areas covered by these permits were on Aboriginal Reserves. Exploration activities involved tenement acquisition, airborne magnetic surveys, helicopter-borne magnetic surveys, ground magnetic surveys, surface sampling and exploratory drilling. Forty-seven (47) magnetic features were identified from the regional airborne data, with 17 of these being followed up by detailed investigations. Ten (10) anomalies were tested by exploratory drilling. Mantle derived volcanic rocks were intersected at one anomaly, with indications of what appeared to be a biotite-rich lamprophyre that possibly had "lamproitic affinity". In fact, one of the unaltered chip samples was classified as having a minette-lamproite association. While microilmeneite was discovered in one sample, no micro-diamonds were found. The age of the lamproite was determined as $786-797 \pm 6$ Ma. Despite this evidence of a mantle tapping event, CRAE concluded that the ultramafic intrusions did not appear to be prospective for diamonds and the region was deemed equally unprospective.

4.2 Aurora Gold Ltd (1995 to 1999)

The Mount Webb Project was explored by Aurora Gold Ltd ("Aurora") during the late-1990s and consisted of 15 exploration licences covering 2,812 km² which were granted in 1995. The granted tenements were located on the western margin of the Arunta Block and centred on the Mount Webb Proterozoic granite intrusion believed to have potential to host IOCG mineral deposits.

Vacuum and aircore drilling in 1998 over these anomalies confirmed the presence of mineralisation returning several anomalous results on adjacent 800 m spaced grid lines, with a peak of 0.21 g/t Au and 896 ppm Cu. In 1999, Aurora reached an agreement to farm out its Mount Webb tenements to BHP Billiton Minerals Pty Ltd ("BHP"). BHP completed limited RC drilling during the second quarter of 1999, which returned some interesting results. However, BHP concluded that although the predicted copper-gold mineralising systems were present, the zones were poorly mineralised and advised its intention to Aurora that it would be excluding the western tenements from the joint venture, with ongoing exploration being focused on the four eastern tenements. Consequently, Aurora elected to surrender its tenements.

4.3 BHP Minerals Pty Ltd–Mount Webb JV (2001 to 2003)

In 2001–2002, BHPM initiated an investigation for diamonds based on the identification of small magnetic circular magnetic features in the regional aeromagnetic data and which were thought to be potential kimberlite or lamproite pipes. Exploration on the Mount Webb Diamond Project over the period 2001 to

2002, was limited to reviews of open-file and aeromagnetic data. Loam sampling for indicator mineral recovery over selected priority magnetic features was recommended, but never carried out.

In March 2001, heavy rains and flooding in the project area caused the evacuation of the Kiwirrkurra Aboriginal community and stopped access to the area for several years. This flooding and difficulties in completing access negotiations with land holders prevented exploration being conducted on the tenements. After further data reviews during the second year of tenure, BHPM decided that there were no targets worthy of follow-up work. Consequently, BHPM surrendered the tenements in full on 31 July 2003, with no groundwork being conducted.

4.4 Ashburton Minerals Ltd/Bestgold Investments Pty Ltd (2005 to 2010)

The Ashburton Minerals Ltd ("Ashburton")/Bestgold Pty Ltd ("Bestgold") Mount Webb tenement package consisted of five live exploration licences covering 1,300 km². All were beneficially owned by Ashburton, with three held in the name of Bestgold. Bestgold applied for and were granted tenure over the project area in November 2005 and subsequently sold the rights to Ashburton. Exploration activities consisted of data compilation, desktop studies, acquisition of Aster satellite imagery and regional heritage surveys. In 2007, GSWA undertook an integrated study of the western Arunta which covered the Bestgold tenements and included:

- Regolith geochemistry sampling program
- Targeted field study of outcrop geology including whole rock geochemistry and geochronology sampling.
- Geophysical interpretation utilising gravity and aeromagnetic.

The study indicated the presence of an IOCG-type alteration system within the project area, but no targets for further work were identified on the tenements.

4.5 Regalpoint Exploration Ltd (2008)

Regalpoint Exploration Ltd pegged this area to assess the uranium potential of the Devonian Lucas Formation, a poorly known succession of sandstone, siltstone, mudstone and minor limestone and conglomerate. Exploration licence E80/3934 was relinquished only one month after it was granted. No exploration activities occurred during the period.

4.6 Meteoric Resources NL (2008 to 2013)

Meteoric initially acquired tenements in the area to conduct gold and uranium exploration for IOCG-style mineralisation over a large gravity low thought to represent a deep-seated magmatic source zone for the Pollock Hills Formation felsic volcanics. Gold results were disappointing and the surrender of 61 blocks resulted. Meteoric then acquired exploration licences covering an area 30 km x 20 km, where regional GSWA total field magnetic (total magnetic intensity or "TMI") geophysical data (400 m line spacing), indicated an unusual cluster of bulls-eye style magnetic anomalies (Figure 4.1). The cluster was reminiscent of a field of volcanic intrusions with signatures like those observed elsewhere in the world associated with kimberlite/lamproite pipes with potential for diamonds. The first of these tenements was granted in 2010. Coincidentally, this cluster of magnetic anomalies is the same that was previously targeted by BHPM in 2001.

In 2010, Meteoric undertook a more detailed aeromagnetic survey, utilising 150 m line spacing and 1,000 m tie-lines over area portion of the kimberlite cluster, interpreted from the wide-spaced, 400 line-spaced GSWA data. Modelling of selected magnetic anomalies was undertaken by Southern Geoscience Consultants in February 2011, who concluded that the anomalies potentially represented vertical pipe-like bodies. Southern Geoscience Consultants concluded in their report of what was then referred to as the Elizabeth Hills prospect, that the airborne geophysical data exhibited numerous "bulls-eye" magnetic anomalies, consistent in shape and amplitude with those associated with kimberlite and lamproite pipes in the Archaean cratons and

Proterozoic orogenic belts of northwest Australia. Five magnetic anomalies (A1 to A5) were selected for modelling (Figure 4.1) to validate this concept.

Based on this interpretation, Meteoric sought a JV partner for the project and subsequently entered into a JV and Farm-in Agreement with CGN in 2012 (at the time, GeoCrystal Pty Ltd).

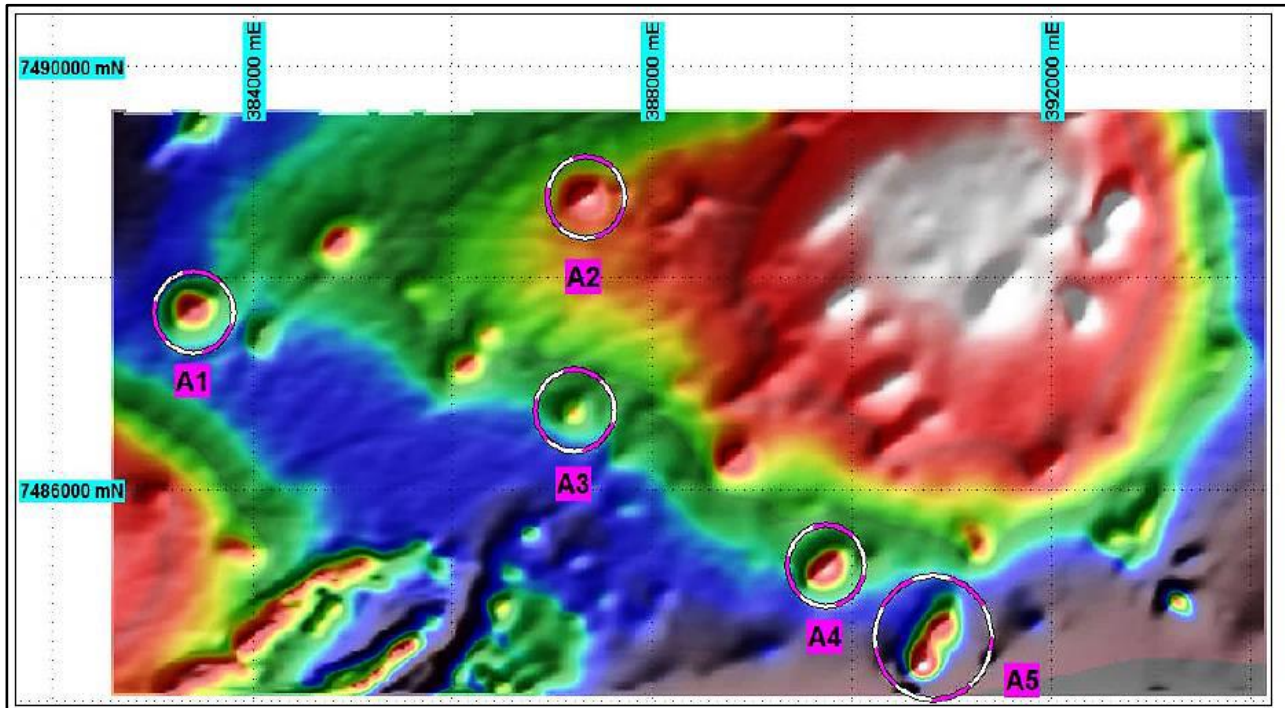


Figure 4.1: Detail of survey area of the Elizabeth Hill prospect flown by GPX Airborne Survey in May 2010

Note: Prominent circular magnetic dipole anomalies are shown. Flight-path vector lines are superimposed on a TMI image. Potent Modelling Software was utilised to model five magnetic anomalies (A1 to A5). Anomalies portrayed on background image of reduced to pole ("RTP") TMI (CGN, 2023).

5 PREVIOUS AND CURRENT EXPLORATION ON NEIGHBOURING GROUND

Geoscience Australia and the GSWA both regard the Mount Webb area, based on geological, geochemical, and tectonic grounds, as being the closest analogue to the mineralising environment hosting the Olympic Dam copper-gold-uranium mine in South Australia. As a result, the West Arunta Orogen is currently the focus of considerable exploration for IOCG and related mineralisation styles. Whilst the West Arunta Orogen has been previously recognised as being prospective for large mineral systems (e.g., Collins and Shaw, 1995), it remains largely under-explored.

There are multiple exploration and mining companies currently active in the area. These include Rio Tinto, IGO Limited ("IGO"), WA1, Agrimin Limited, Tali Resources Pty Ltd ("Tali"), and Rincon.

A list of some of the most prominent exploration and mining house tenement holders and their current and planned exploration activities, follows.

5.1 Rincon Resources Ltd

Rincon (ASX:RCR) was granted a single exploration licence (100% interest in E80/5241, holder Lyza Mining Pty Ltd) encompassing the Pokali deposit, the latter identified by BHP and Aurora and subsequently by Ashburton (ASX:LPD) in the early to mid-2000s, who identified wide zones of low-grade copper mineralisation with IOCG characteristics. Kiwirrkurra has been the subject of historical exploration by Ashburton (ASX:LPD) in the early to mid-2000s which delineated multiple gold and copper targets. Drilling at the Pokali prospect has identified wide zones of low-grade copper mineralisation which has IOCG characteristics.

Ashburton's drilling returned best results of:

- PKC024 – 62 m at 0.39% Cu from 152 m (including 14 m at 1.0% Cu from 168 m)
- PKC027 – 42 m at 0.33% Cu from 196 m (including 4 m at 1.36% Cu from 222 m)
- PKC023 – 32 m at 0.46% Cu from 74 m (including 6 m at 1.36% Cu from 100 m)
- PKC007 – 46 m at 0.37% Cu from 24 m
- PKC021 – 44 m at 0.30% Cu from 66 m
- PKC008 – 18 m at 0.52% Cu from 76 m
- PKC022 – 16 m at 0.45% Cu from 188 m.

(Source: Rincon Resources ASX Announcement, 26 October 2022 (<https://company-announcements.afrc.com/asx/rcr/e917f9f8-54b3-11ed-8724-028fbf8e0152.pdf>))

5.2 Tali Resources Pty Ltd

The Tali and Rio Tinto farm-in agreement is by far the largest of the landholdings over the Aileron and Warumpi provinces and their tenement boundaries form a common border with the southern Webb tenements E80/5499 and E80/5633. Tali also has an application E80/5489 which shares a common tenement graticular boundary with E80/5499 (Figure 5.1).

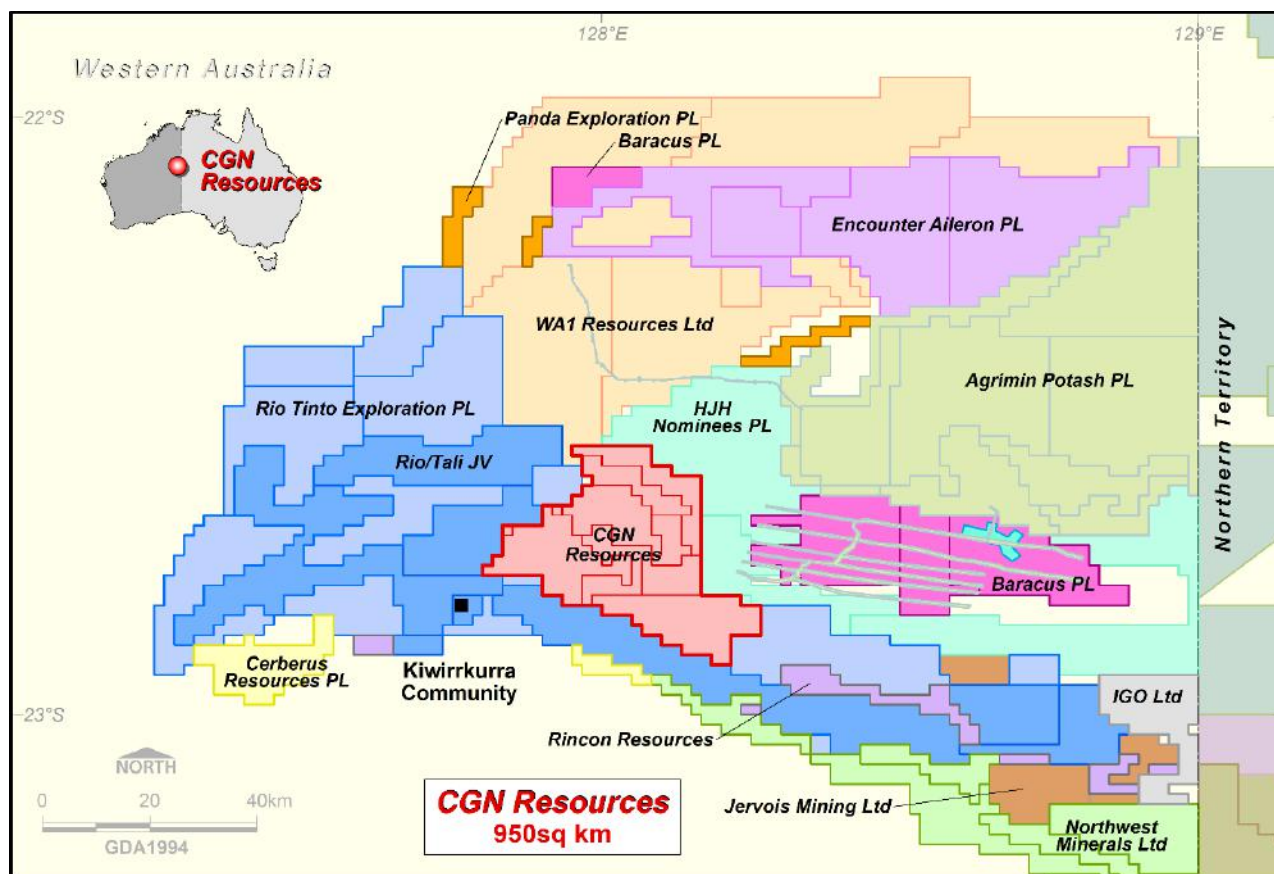


Figure 5.1: Some of the mining and exploration companies currently active in the West Arunta Orogen and surrounding the Webb JV tenements

Source: CGN, 2023

5.3 Encounter Resources Ltd

In a JV partnership with Newcrest Mining Limited in 2021, Encounter drilled only a single hole to 158 m on their tenements. In their quarterly report ending 30 September 2021, they stated the results of the drilling as:

"Diamond drilling at Aileron located in the West Arunta region of WA has intersected hydrothermally haematite-altered mafic intrusions and granite with a distinctive IOCG geochemical signature under shallow cover including zones of anomalism in copper (up to 0.1% Cu), gold (up to 48ppb Au), molybdenum (up to 155ppm Mo) and highly elevated rare earth elements (up to 0.8% TREO, including lanthanum up to 0.2%, cerium up to 0.3%)". (Source: Quarterly Activities Report for the Period Ended 30 September 2021: https://www.encounterresources.com.au/wp-admin/admin-ajax.php?juwpfisadmin=false&action=wpfd&task=file.download&wpfd_category_id=5&wpfd_file_id=1287&preview=1)

In late 2022, Encounter completed an 8,000 line-km magnetic-radiometric survey which highlighted anomalies along the junction of the Elephant Island and Endurance faults (ASX announcement, 8 December 2022). Importantly, these targets lie adjacent to WA1's Luni niobium-REE carbonatite discovery (Figure 5.2, top image).

In May 2020 (ASX announcement, 12 May 2023), Encounter announced the results of their Falcon airborne gravity survey (Figure 5.2, lower image) which revealed high density anomalies interpreted as potential alkaline intrusions (carbonatites), further highlighting the importance of the West Arunta area as an increasingly high potential carbonatite as well as kimberlite district.

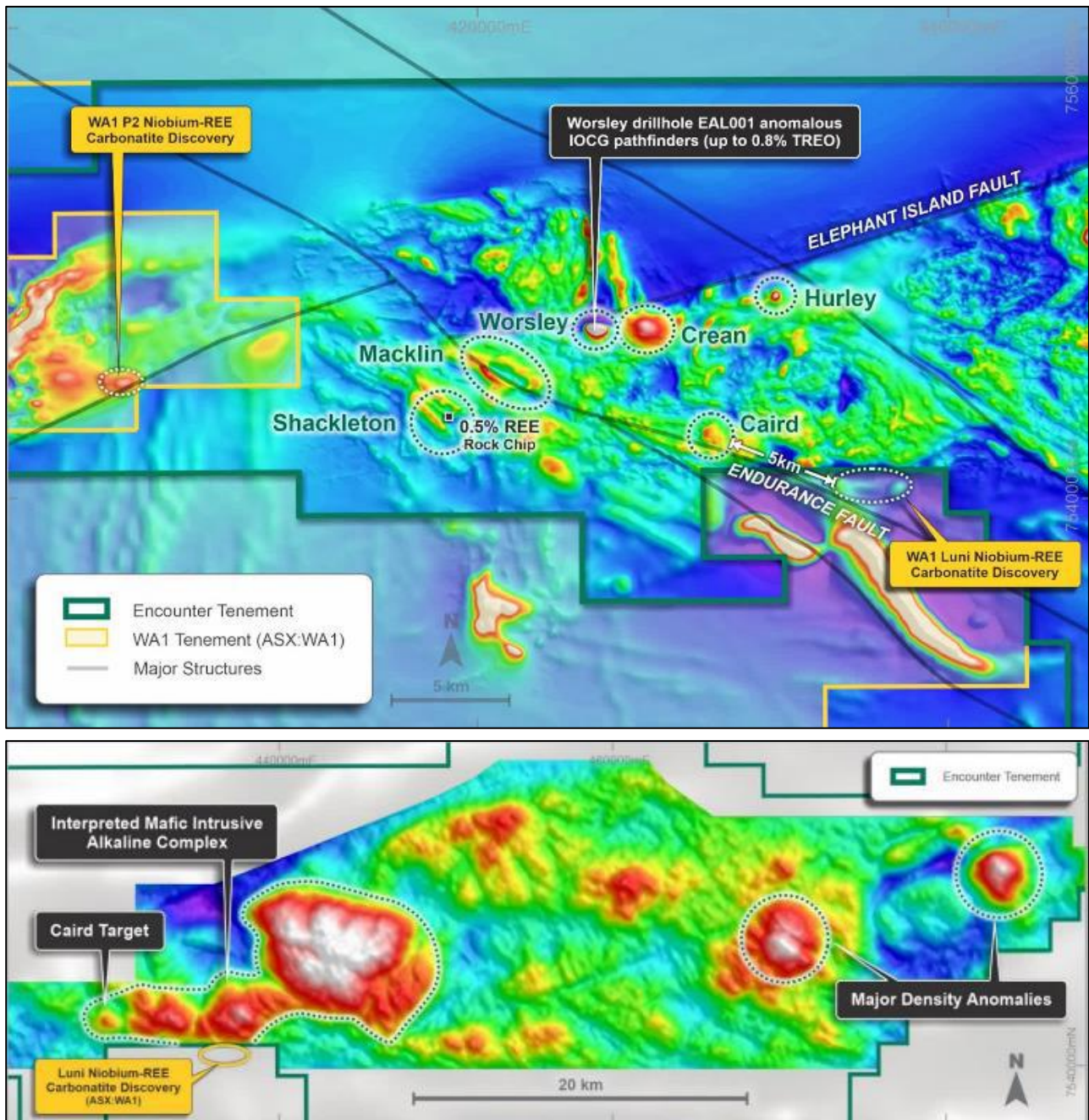


Figure 5.2: Top image – 2022 magnetic-radiometric generated targets in relation to the WA1; Lower image – 2023 high amplitude Falcon gravity targets interpreted as potential carbonatites

Source: Encounter, 2023

5.4 Norwest Minerals Ltd

In Q2 of 2019, Norwest Minerals Ltd's North Dover Project completed a 1,524 m, three-hole diamond drilling program where they successfully intersected thick sequences of favourable IOCG geology and alteration (Figure 5.3), along with minor occurrences of chalcopyrite, pyrite, and sphalerite (Annual Report, 30 June 2019). In addition, graphitic shales containing pyrite and chalcopyrite were also encountered in the drilling program.

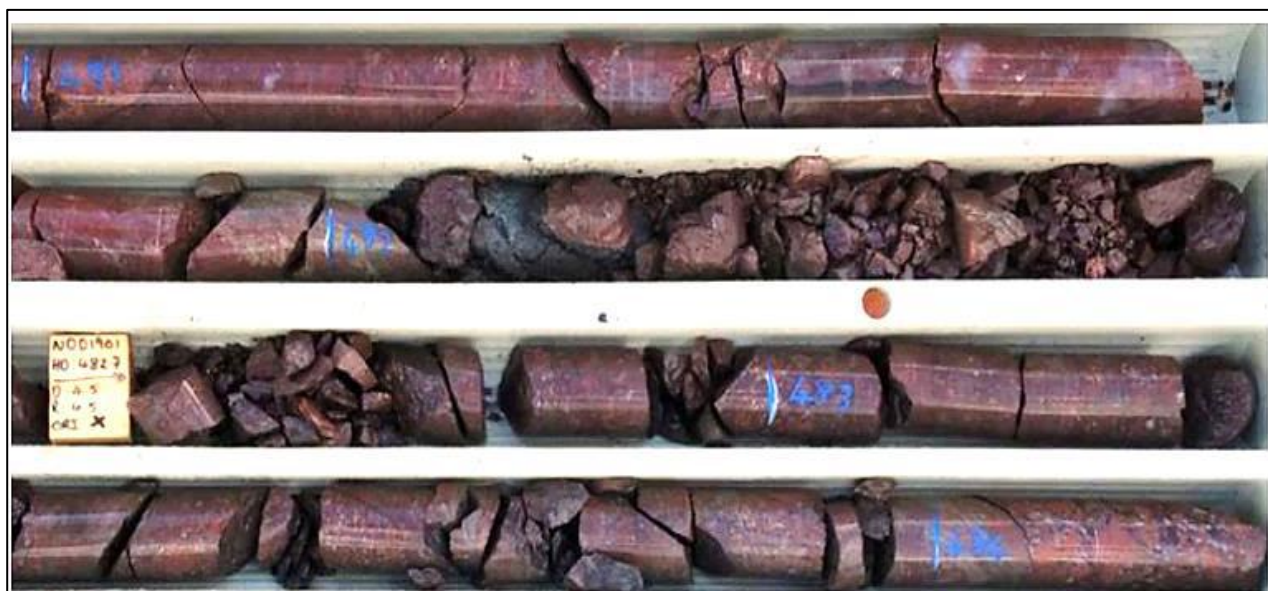


Figure 5.3: Diamond drill core of Norwest Mineral Ltd's North Dover IOCG anomaly (pictured is haematite alteration in granite)

Source: Norwest Minerals Ltd, 2019

5.5 IGO Limited (formerly Independence Group NL)

IGO drilled the first hole at its Lake Mackay JV-Grapple prospect, with ABM Resources NL, in 2017. Highlights of their drilling (sourced from <https://www.igo.com.au/site/exploration/lake-mackay-jv>) include:

- 7 m grading 3.2% Cu, 3.3 g/t Au, 37.7 g/t Ag, 1.3% Zn, 0.9% Pb, 0.08% Co
- 4 m grading 0.8% Cu, 7.9 g/t Au, 20.7 g/t Ag, 1.1% Zn, 0.5% Pb, 0.1% Co
- 8 m grading 4.9 g/t Au
- 16 m grading 1.15 g/t Au and 4 m grading 1.54 g/t Au
- 4 m grading 0.6% Co, 0.49% Ni and 12 m grading 0.07% Co, 1.17% Ni
- 10 m grading 0.13% Co, 0.51% Ni
- 5 m grading 3.03% Cu, 1.78 g/t Au, 14 g/t Ag and 17.47 m grading 2.13% Cu, 0.21 g/t Au, 9 g/t Ag.

(Source: <https://www.igo.com.au/site/exploration/lake-mackay-jv>)

5.6 WA1 Resources Ltd

WA1 completed an initial public offering ("IPO") in 2022 and commenced drilling on its tenements in July of that year. Prior to this, only two holes had been drilled in the area (WA1 presentation, 19 September 2022). Maiden drilling was targeted over large gravity and magnetic anomalies for their potential to host significant mineralised IOCG systems. Arising from WA1's drilling campaign was the intersection of two mineralised calc-alkaline intrusives – the Luni Carbonatite located at the Sambhar prospect and the P2 Carbonatite in the Pachpadra prospect. The Luni Carbonatite is characterised by a discrete, very-high amplitude gravity anomaly with a limited but coincident magnetic response, and significantly, is located at the intersection of two interpreted regional structural features proximate to the CAS. Figure 5.4 shows the locality of the Sambhar and Pachpurda prospects.

Figure 5.1 shows the disposition of exploration and mining companies currently targeting IOCG-style deposits and mineralised alkaline intrusives, relative to the CGN tenements.

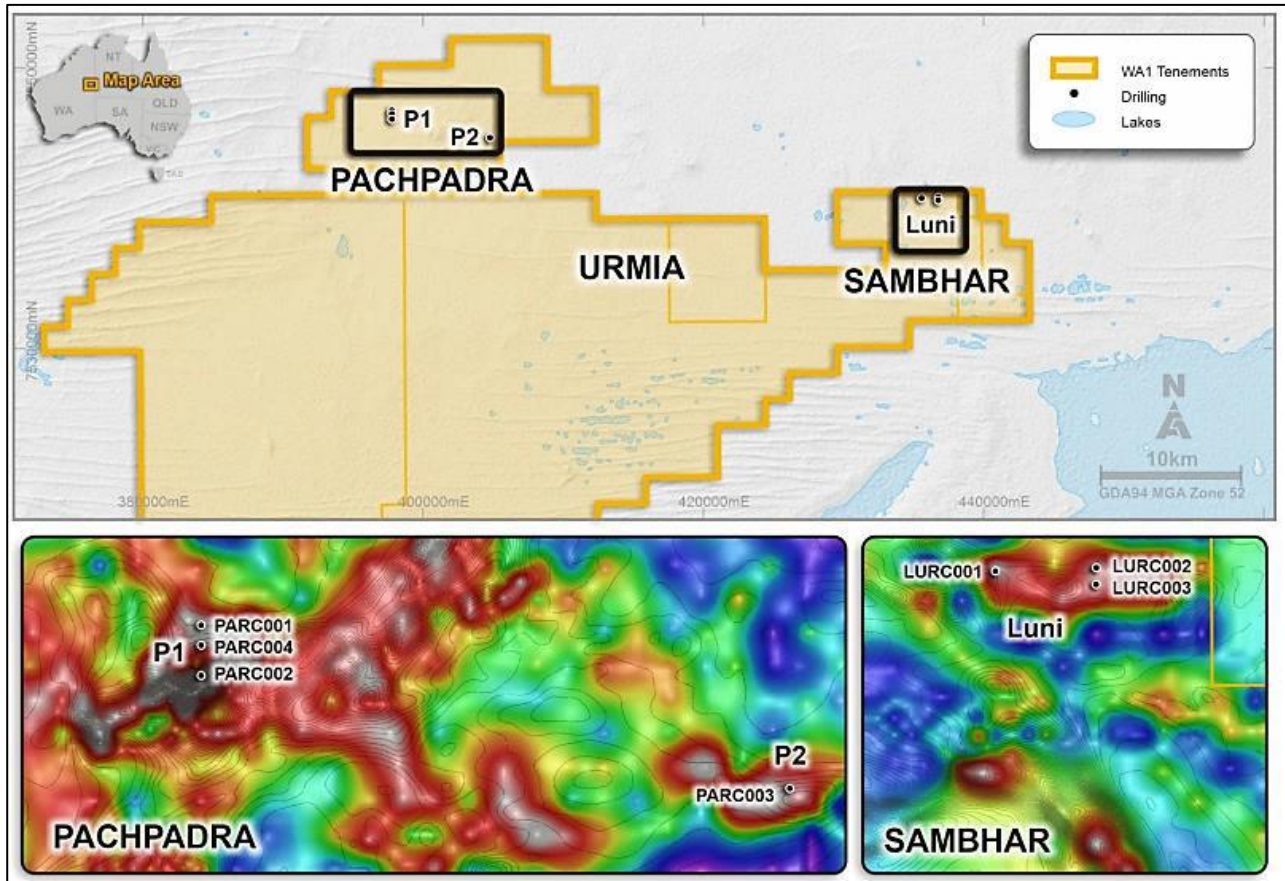


Figure 5.4: Locality of carbonatite intrusive complexes on the WA1 tenements

Source: WA1's ASX Announcement dated 18 August

2022(<https://app.sharelinktechnologies.com/announcement/asx/1f39211f16ee1206406171bf719afb0a>).

6 EXPLORATION CONDUCTED BY CGN RESOURCES LIMITED

Exploration conducted on the Webb Project from 2013 has focused on diamond potential. CGN has encouraging results from this program. CGN has stated that the current and future focus of exploration will be for economic IOCG mineralisation.

6.1 Exploration Activities by GeoCrystal Resources Ltd (now CGN Resources Limited) – 2013 to present

CGNR (formerly GeoCrystal Resources Limited) commenced on-ground exploration on the project tenements in mid-2013 after entering a formal Farm-in and JV with Meteoric, which included tenement E80/4506 (now E80/5573) held at that time by J&J McIntyre. This initial exploration comprised a first pass aircore drilling exercise, which intercepted olivine-bearing ultramafic rocks. By April 2014, Meteoric received confirmation of CGNR's intention to sole fund the second earn-in phase of the project., which required a total exploration spend of \$3.0 million to earn an additional 19% (for a total of 70% interest).

Exploration activities between 2013 and 2015 saw the completion of a wide-spaced loam sampling program from which they recovered 19 microdiamonds and KIMs, e.g., chrome spinel. This loam sampling did not commence until initial drill sample results demonstrated that the initial kimberlite discoveries were not diamondiferous. The aim of the loam sampling was to establish the presence or absence of microdiamonds associated with the regolith as the presence of microdiamonds could potentially indicate the presence of a diamondiferous kimberlite or kimberlite cluster within the kimberlite field. The first-pass loam sampling program which comprised 67 samples reported four microdiamonds of the 19 recovered in total during the program. It was during the 2014 drill program and based on the results of a second loam sampling program comprising 142 samples that it became evident that microdiamonds were more common in the north of the field. This prompted more loam sampling as well as a shift in target selection for the drilling program. The chromite results defined a 20 km long and 3–5 km wide corridor, coincident with the kimberlite field. Over half of the microdiamonds recovered formed a cluster in the northern part of the kimberlite field and were deemed to be sufficiently spatially coherent to be interpreted as a surface microdiamond dispersion anomaly (Figure 6.1).

A limiting aspect throughout the project is that any definitive results relating to any specific kimberlite have been made difficult by the wide distribution of a c. 40 m thick sandstone cover, which blankets the entire project area, producing a masking effect.

By 2015, the Webb JV partnership had identified 51 kimberlite bodies by the drill-testing of 64 of the kimberlite targets, largely identified from a 12,574 line-km airborne magnetic survey (100 m line spacing) flown in 2014. Additional kimberlite-suite minerals were recovered from the drill chip samples, comprising chrome diopside and pyrope garnet. At this stage, no microdiamonds had been recovered from primary kimberlite material (drill-chip sampling), and there remained over 200 kimberlite targets that had not yet been drill tested within the kimberlite field. It was during this stage that the copper, nickel, cobalt, uranium, and iron coincident anomalies were discovered through routine assaying.

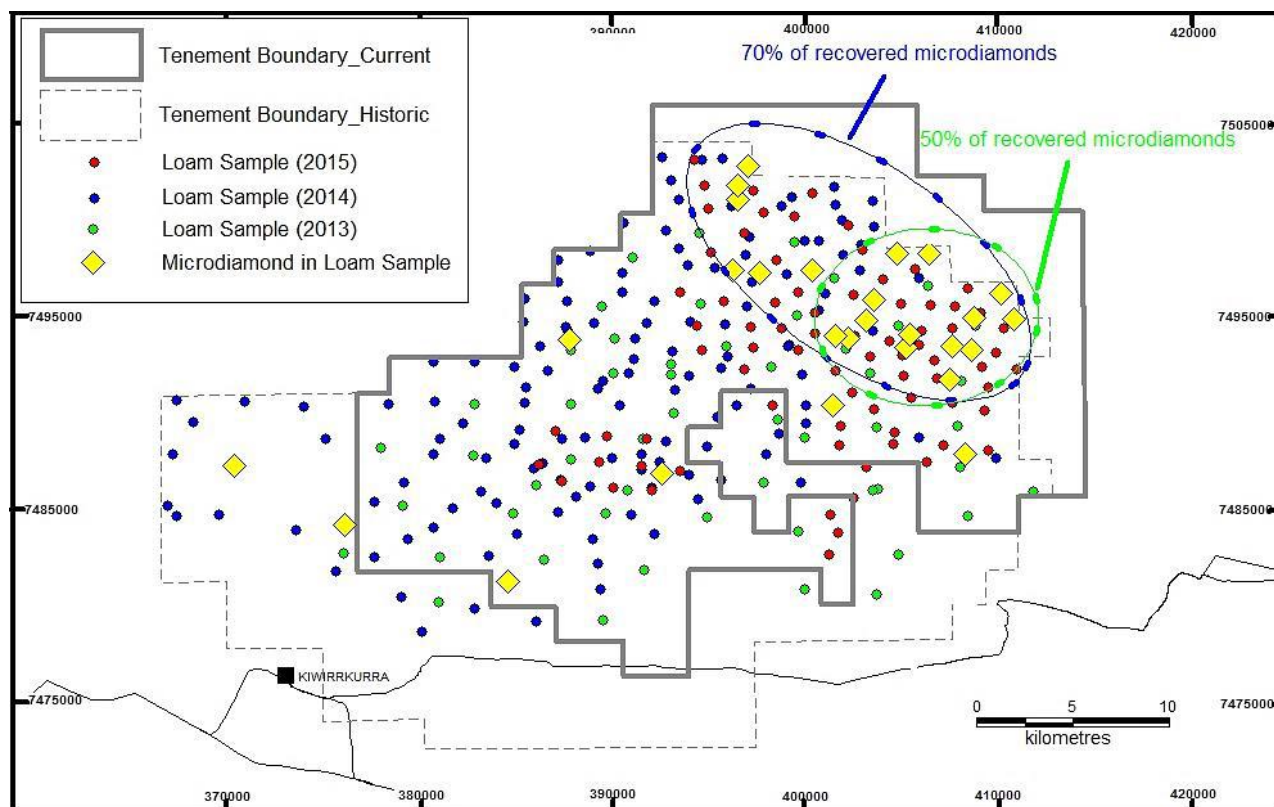


Figure 6.1: Loam sampling sites with microdiamond occurrences

Note: The increased size and frequency of the <0.5 mm diamonds in the northern part of the tenements (area bounded by green dashed line), is congruent with a mineral dispersal train that is potentially near one or more, diamondiferous kimberlites. Source: CGN, 2023.

6.2 Geophysics

Although work to date has had a focus on the diamond potential of the project, the gravity and airborne magnetic surveys have also provided useful datasets to help delineate several strong IOCG targets within the tenure, as well as the refined the targeting for diamonds.

One of the fundamental axioms of IOCG and diamond exploration is its iterative aspect. High-level, wide-spaced regional surveys will be followed by lower-level, closer spaced surveys, vectoring in on high-interest targets and traditionally culminating in ground-based geophysical surveys (ground-truthing) that provides maximum accuracy and resolution in delineating walk-up, drill-ready targets.

During November 2013, Geotech Airborne Pty Ltd carried out a helicopter-borne geophysical survey near Kiwirrkurra, WA. The geophysical surveys consisted of helicopter-borne electromagnetic using the versatile time domain electromagnetic (VTEM plus) system with Z and X component measurements and aeromagnetics using a caesium magnetometer. A total of 174 line-km of geophysical data were acquired during the survey and two surveys were flown, one at 100 m line spacing and the other at 400 m. No formal interpretation was conducted, but based on the geophysical results obtained, a number of TEM anomalous zones are identified across the property. These consisted of "thick" subvertical plates that are thought to be associated with magnetic anomalies.

An airborne magnetic survey was completed during June of 2014 flown by MagSpec Pty Ltd, a Perth based airborne geophysical provider (Figure 6.2). The survey which covered all the project tenements inclusive of E80/4235 comprised a total of 12,574 line-km, flown in a north-south orientation and at a line spacing of 100 m. Figure 6.3 shows an image stack of the resultant data. Approximately 280 kimberlite targets were identified from the subsequent interpretation of the data.

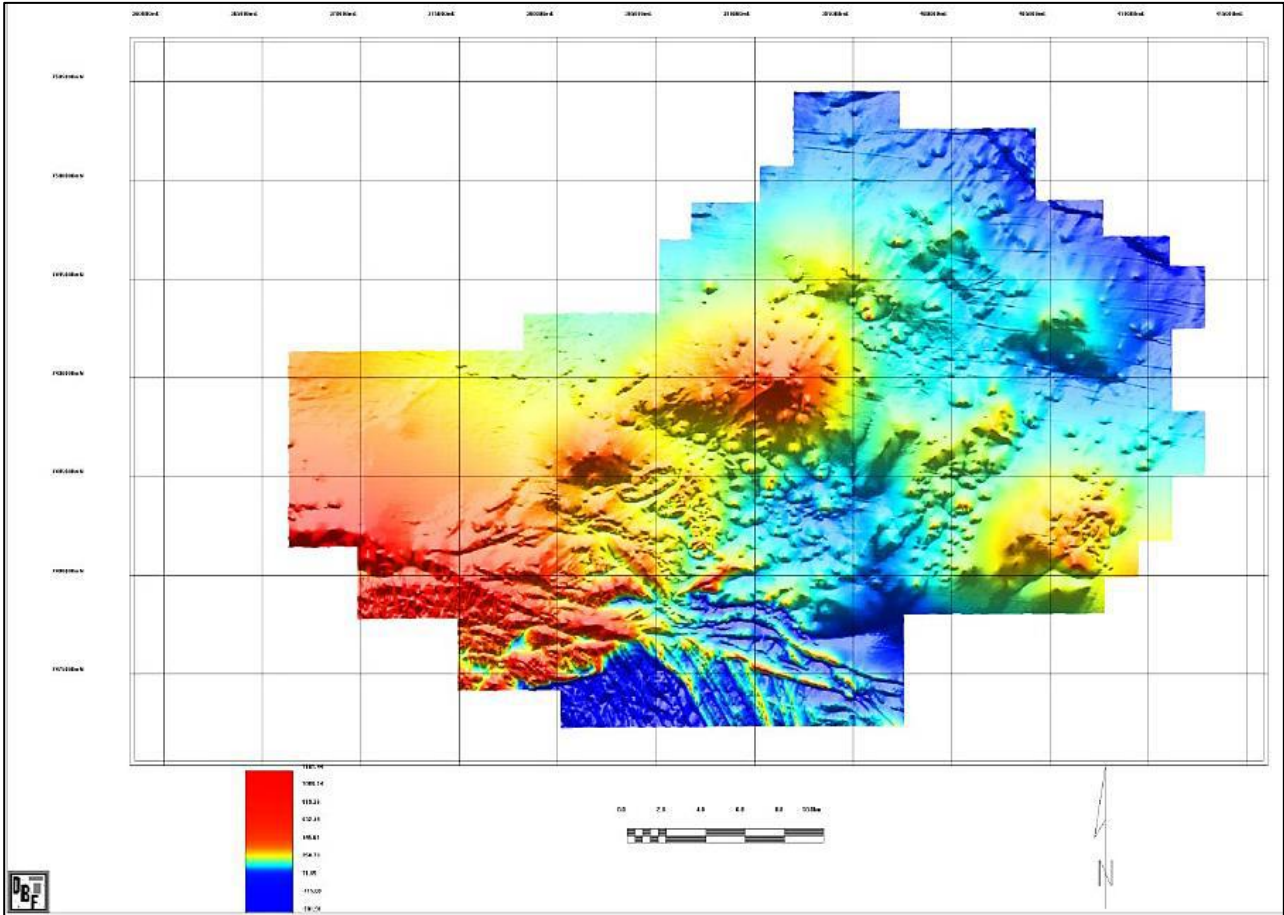


Figure 6.2: TMI image generated from the extensive 2014 airborne magnetic survey (many of the numerous dipolar "dots" have since been identified as individual kimberlite pipes)
 Source: CGN, 2023

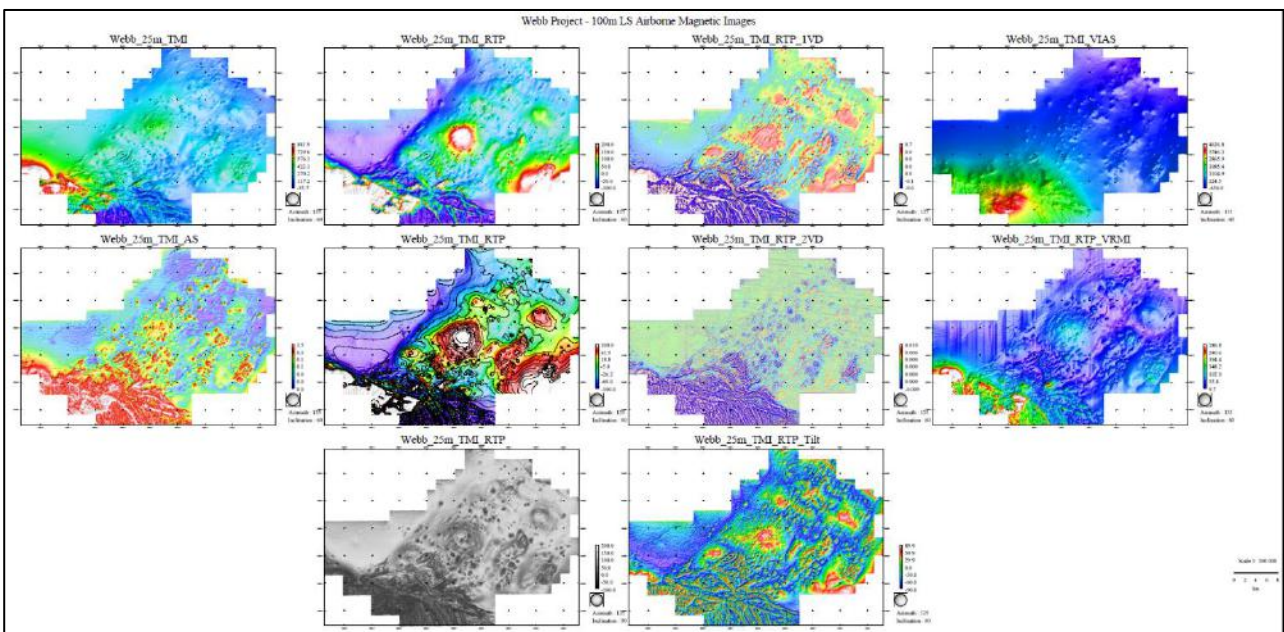


Figure 6.3: Image stack of 2013 airborne magnetic survey

Between August and October 2016, Loza Radar Australia ("Loza") conducted two trial surveys, which showcased the applicability of enhanced ground penetrating radar ("GPR"), using low frequencies, in profiling the Webb kimberlites that sub-cropped up to 50 m beneath their aeolian and sandstone cover. The latter comprises the Bitter Springs Group, Heavitree Quartzite Formation and Angas Hills Formation that unconformably overlay the weathered tops of the kimberlite pipes. The technique has reportedly been successful in mapping kimberlites in Africa and the Webb trials were conducted to detect and map subsurface intrusive bodies, and to provide evidence on whether the kimberlite bodies were pipe, dyke or sill-like in nature. The GPR profiles were then to be matched against drill log data at each target, to test the veracity of the system (Figure 6.4). In all, 11.73 line-km were GPR surveyed. Independent geophysicist, Keith Jones (2016), assessed the applicability of the Loza's results to formulate the GPR's effectiveness in future work. There was some concern that the GPR methodology appeared to be less effective than anticipated.

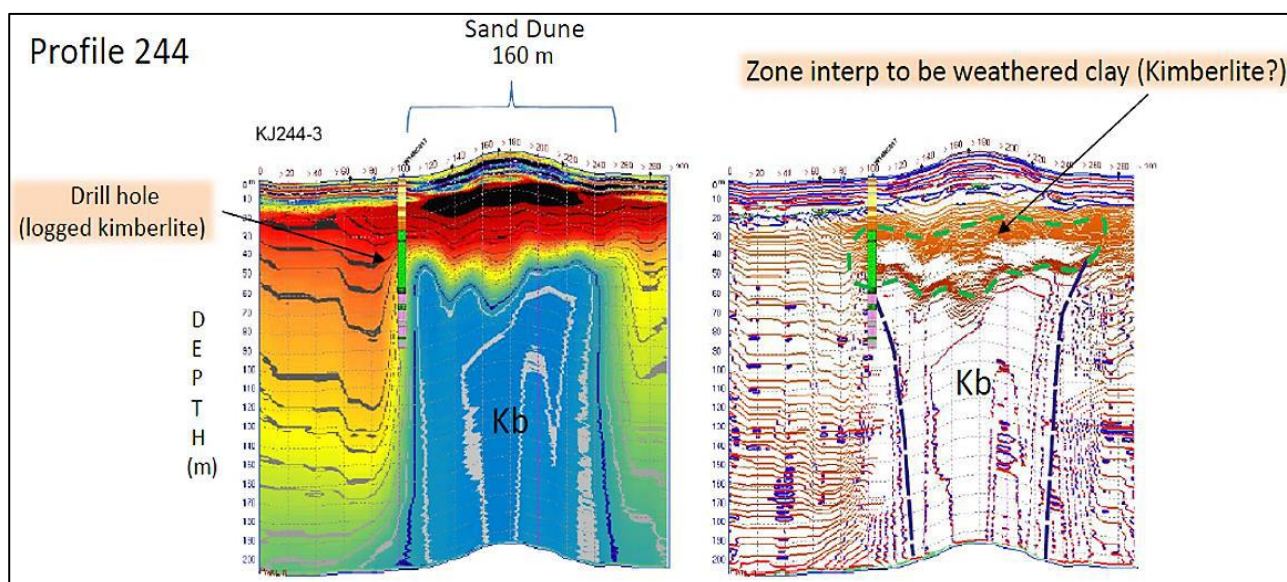


Figure 6.4: Lozar GPR sections from a trial-survey conducted at the Webb Diamond Project

Source: CGN, 2023

In October 2017, CGN commissioned ground geophysical surveys over selected targets in the Webb Kimberlite Province. Eleven (11) targets were surveyed by detailed high resolution magnetic surveys and detailed gravity ground gravity surveys were conducted over six of the magnetic survey areas. The above program acquired 127 km of ground magnetic data and a total of 899 gravity stations.

In June 2022, CGN commissioned Xcalibur Multiphysics to collect a high-sensitivity Falcon airborne gravity gradiometer ("AGG") and aeromagnetic survey over the southern part of the tenement package (Figure 6.5). In total, 1,612 line-km of data was collected along 200 m spaced east-west orientated transverse lines and 2,000 m spaced north-south orientated tie lines, respectively. The survey utilised a Cessna C208B fixed wing aircraft flying at a nominal 80 m drape height. Figure 6.6 shows an image stack of the resultant data. Independent geophysicist, Keith Jones (2022) assessed these data and identified three priority target areas that have gravity and magnetic features consistent with IOCG mineralisation. Independent geophysicist, Thomas Harris (2022) completed processing, inversion and targeting for IOCG mineralisation from these data. In total, 16 gravity anomalies and 15 magnetic anomalies were identified (Figure 6.7). These anomalies were further assessed with all available geological information and results in the selection of four priority IOCG target areas.

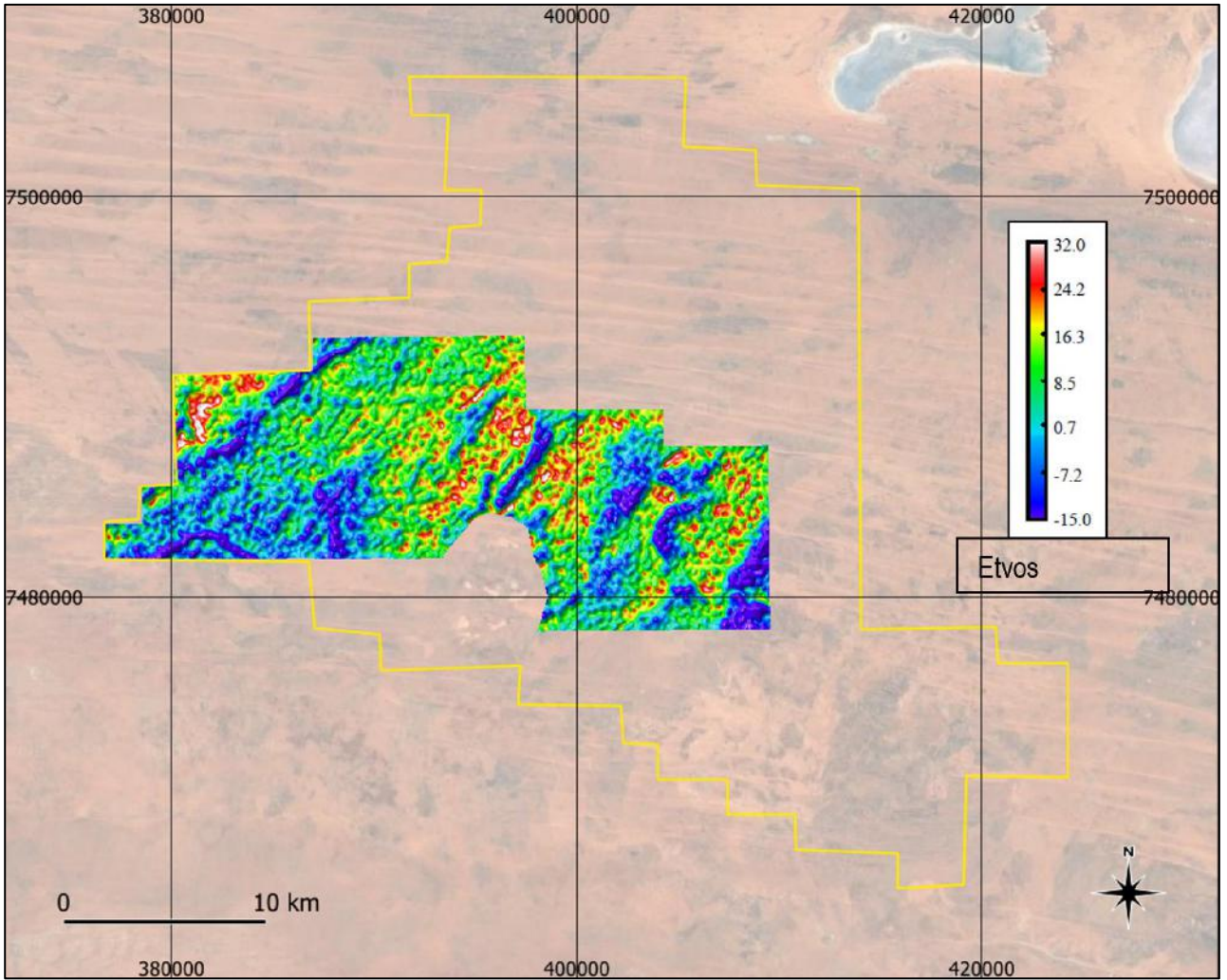


Figure 6.5: 2022 AGG survey results with GDD image on tenements
 Source: CGN, 2023

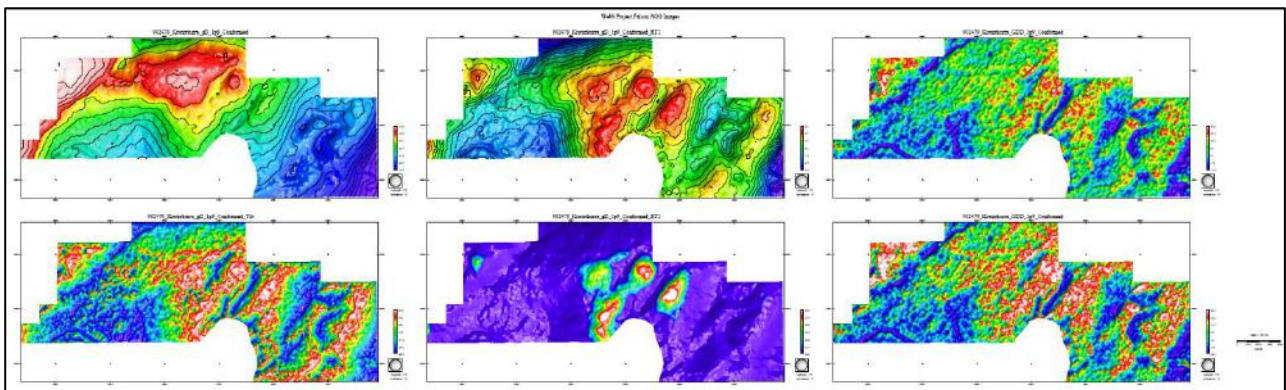


Figure 6.6: 2022 AGG image stack
 Source: CGN, 2023

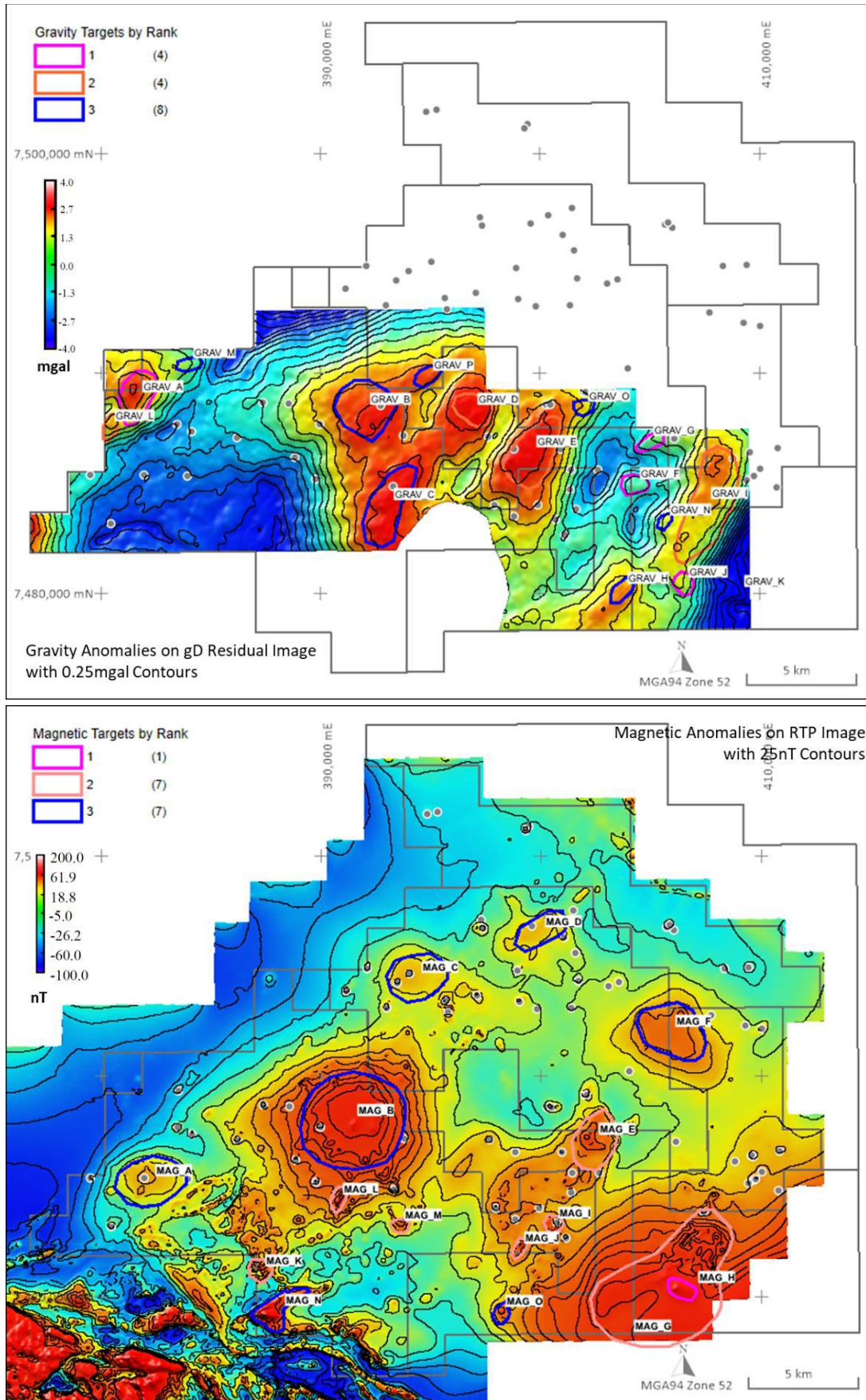


Figure 6.7: Harris (2022) – IOCG targeting on (above) gravity and (below) magnetic images
Source: CGN, 2023

6.3 Soil Sampling (Loaming) – Recovery of KIMs

The disaggregation of mantle rocks sampled by a kimberlite intrusion, yields a suite of mantle minerals commonly referred to as KIMs. The most important of these are the garnet, chromite, ilmenite Cr-diopside and olivine suite, that occur within peridotitic or eclogitic high-pressure/temperature mantle assemblages.³ These minerals are particularly useful due to their varying ability to survive weathering and thus, allow the explorer to trace their relative abundances along a pathfinder dispersion trail, back to source.

A total of 402 loam samples have been collected within the current and surrendered Webb JV project tenements to date (Figure 6.8), amounting to some 42 tonnes of samples collected. Whilst most of the samples have recovered from a wide-spaced average sample density of one sample per 2 km², the focus on the northern-most tenements with the larger microdiamond occurrences, has prompted a closer spaced sample density of one sample per 1.2 km². Of the KIMs recovered, the Webb JV has particularly yielded relative abundances of chromite (Figure 6.9) and microdiamonds in close proximity (Figure 6.10). Typically, a large kimberlite field may only contain a few diamondiferous kimberlite pipes with economic potential. The KIMs that reflect this diamond potential must originate from within the "Diamond-Inclusion" field and consequently, their composition will be relatively enriched in major and trace elements, compared to kimberlite minerals that have not sampled the diamond stability field. The relevance of such specific KIM compositions, particularly of the numerous chromites recovered from the project to date, is discussed further under the section on geochemistry.

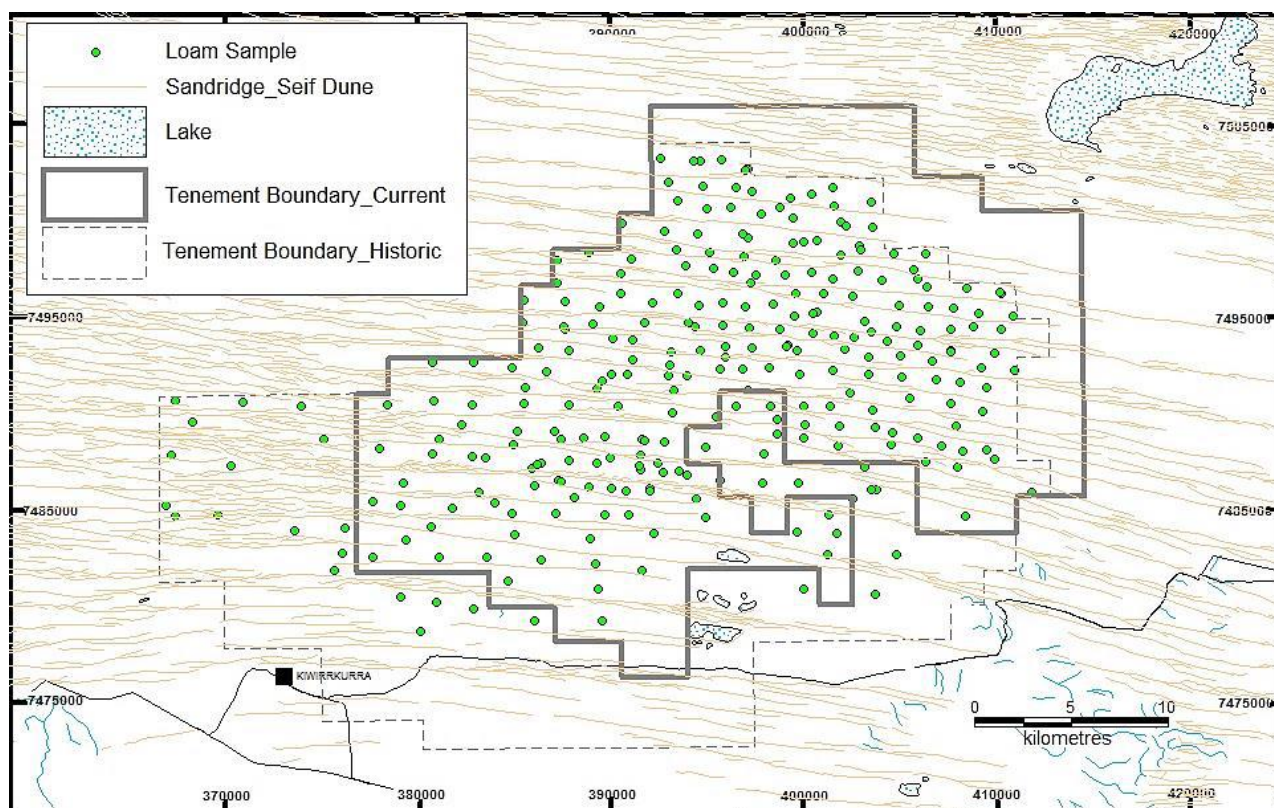


Figure 6.8: A total of 402 loam samples (green dots), have been collected from the Webb Diamond Project to date

Source: CGN, 2023

³ They are phenocrystic relative to their cognate melts i.e., they have crystallised directly from their parent melt.

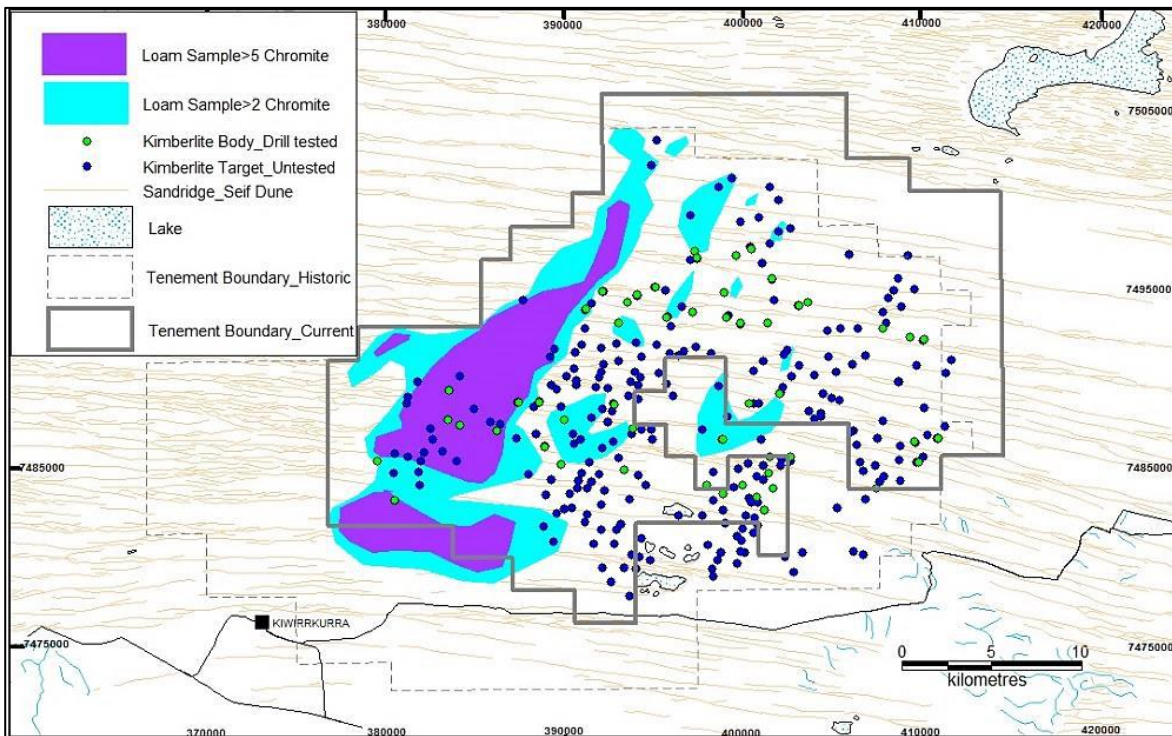


Figure 6.9: Relative abundance of chromite grains recovered from loaming exercises on the Webb JV tenements
Note: The grains are geographically restricted to the west of the tenements, which may either indicate a proximal or in situ origin, or lateral displacement by transport processes. Tenement outlines c. July 2017 (CGN, 2023).

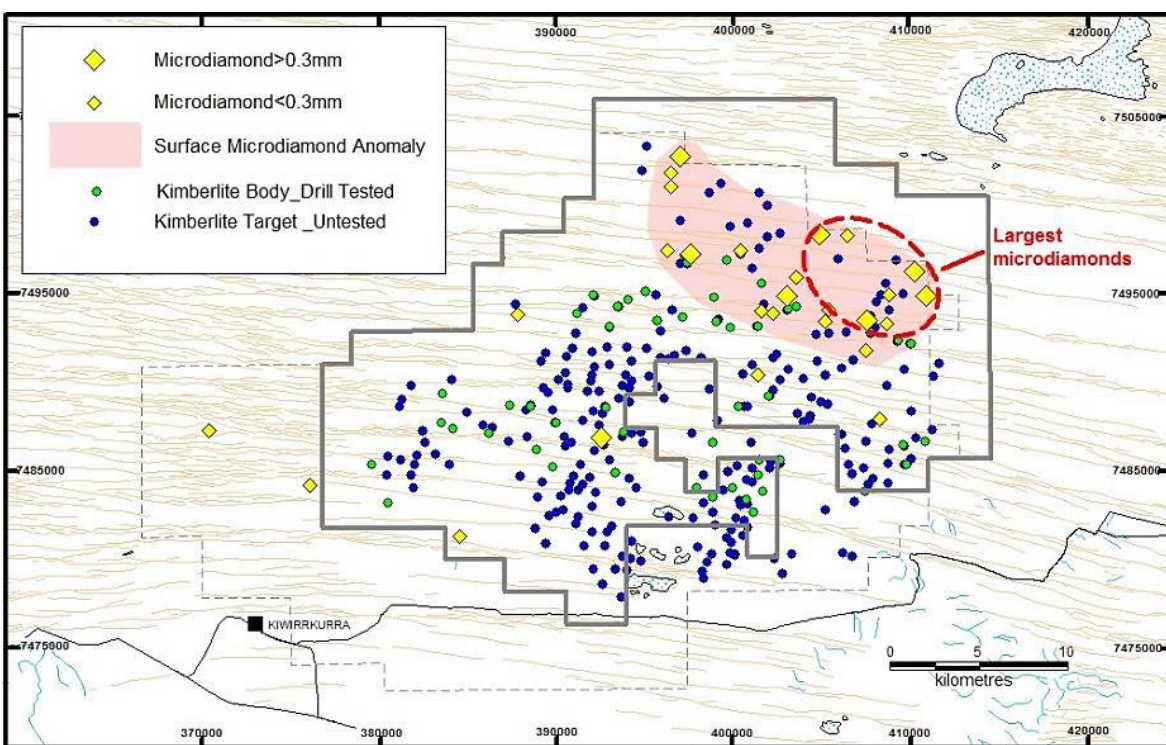


Figure 6.10: Relative abundance of microdiamonds recovered from loaming exercises on the Webb JV tenements
Note: In contrast to the chromite recoveries, majority of the stones recovered (70%), have been restricted to the northern portion of the tenements, and additionally, show weak size-zoning within the dispersion halo, with larger stone frequencies being confined to the area circled. Such data generally indicates a more proximal source for the diamonds, as increased transport distances would tend to smooth and homogenise distribution and sizes (CGN, 2023).

6.4 Microdiamond Analyses

Microdiamonds are classified as natural diamonds⁴ that are less than 0.5 mm in diameter. Due to their greater relative abundance than macrodiamonds (classified as >0.5 mm), their presence has long since been regarded as a reliable indicator of a macrodiamond presence in a kimberlite pipe. Moreover, in sufficient quantities, microdiamonds can be further utilised to estimate the grade of macrodiamonds in a pipe, from relatively small samples (e.g., Deakin and Boxer, 1989), on the basis that, in any given volume of rock, there will be generally more small diamonds than large ones. Figure 6.11 shows photomicrographs of some microdiamonds recovered from the Webb tenements.

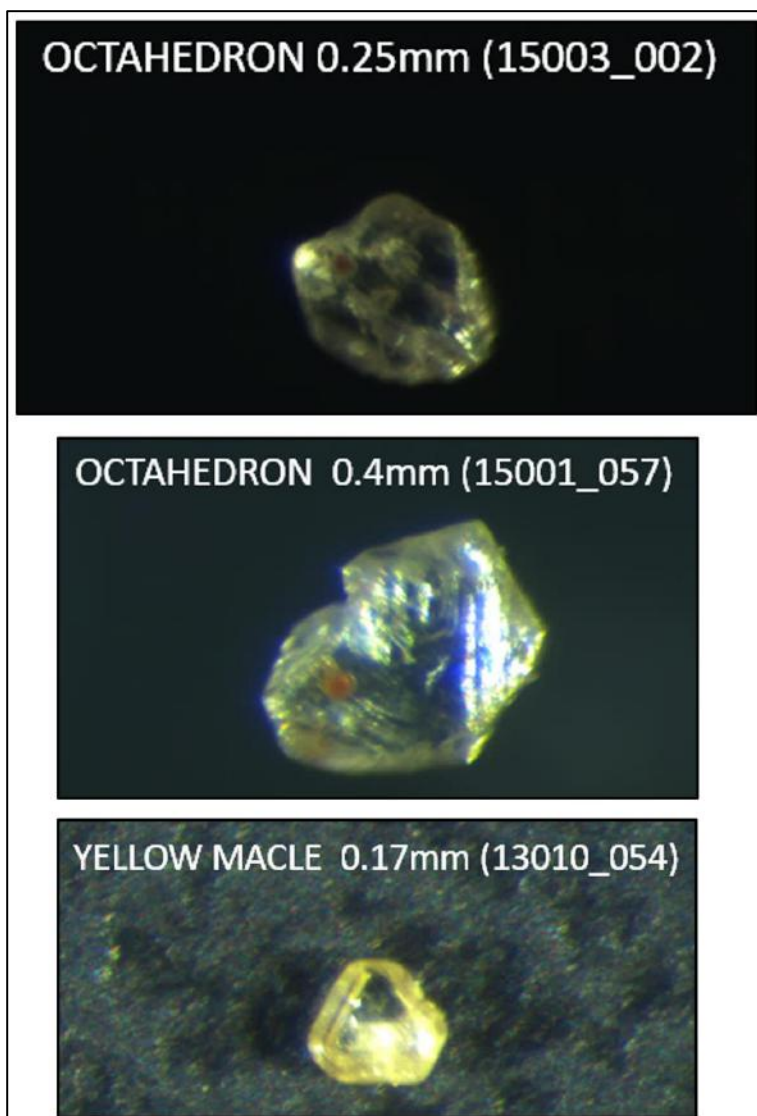


Figure 6.11: Peridotitic (P-type) microdiamonds recovered from loaming exercises at the Webb JV tenements

Note: Diamond colours (yellow, white, brown) and shapes (37% octahedron, 7% macle, cube 15%, 41% irregular) are consistent with being derived directly from a nearby kimberlite. This is further supported with minimal abrasion textures, indicating little or no transport history (CGN, 2023).

However, economic microdiamond grade extrapolations are controversial and not completely understood. This is borne out by observations from several kimberlite pipes in the Northwest Territories of Canada, where poor economic macrodiamond grades were recovered in kimberlite that initially indicated high microdiamond counts (Pattison and Levinson, 1995).

⁴ They are xenocrysts and non-cognate to their host magma i.e., they do not crystallise from their parent melt and are older than their host-magma.

A total of 27 microdiamonds have been recovered from the loam samples (Table 6.1), with some 70% of these microdiamonds forming a cluster in the northern part of the kimberlite field (Figure 6.10) and deemed to be sufficiently spatially coherent to be interpreted as a surface microdiamond dispersion anomaly. A limiting aspect throughout the project is that any definitive results relating to any specific kimberlite, have been made difficult by the wide distribution of a c. 40 m thick sandstone cover, which blankets the entire project area, producing a masking effect.

Table 6.1: Details of the microdiamonds recovered to date from loaming exercises on the Webb JV tenements (a high percentage of euhedral crystal habits have been recovered)

Microdiamond Recoveries-Webb Diamond Project						
Sample ID	Eastings	Northing	Total MD	MD Size_mm	Form	Description
1310_008	392655	7486983	1	1 x 0.3x0.2x0.1	irregular	pale green, subtranslucent, included, irregular
1310_013	408234	7488097	1	1 x 0.1x0.1x0.1	cube-octahedron	well formed cube-octahedron, pale brown, clear
1310_038	396350	7497369	1	1 x 0.15x0.15x0.1	irregular	Greenish yellow, fractured or resorbed, rounded, translucent, irregular
1310_054	382700	7493710	1	1 x 0.17x0.15x0.1	macle	yellow macle
14001_042	384606	7481342	1	1 x 0.2 x 0.18 x 0.1	irregular	colourless irreg with finely textured surfaces, inclusion.
14001_045	376190	7484088	1	1 x 0.15 x 0.15 x 0.1	irregular	rounded, dark green irreg, fractured
14001_067	401519	7494111	1	1 x 0.1 x 0.1 x 0.1	cube	one mauve irregular cube form.
14001_067	401519	7494111	1	1 x 0.1 x 0.1 x 0.1	cube	One cream opaque part cube.
14001_075	396481	7501770	1	1 x 0.2 x 0.15 x 0.1	octahedron	colourless, irreg with some octa faces. Small inclusions
14001_083	396146	7500778	1	1 x 0.2 x 0.15 x 0.15	irregular	colourless, frosted irregular.
14001_099	397516	7497272	1	1 x 0.28 x 0.2 x 0.2	octahedron	colourless, transparent, part flat faced octa.
14001_101	400342	7497395	1	1 x 0.15 x 0.15 x 0.1	irregular	colourless, irreg with fine trigonal surfaces
14001_135	370292	7487316	1	1 x 0.13 x 0.12 x 0.1	irregular	colourless, frosted irregular.
14001_142	403430	7494318	1	1 x 0.1 x 0.1 x 0.1	cube	part cube, sub-translucent, colourless
15001_031	401350	7490450	1	1 x 0.1 x 0.1 x 0.1	cube	opaque cube, pale brown. Branching growth type
15001_057	407600	7493340	1	1 x 0.4 x 0.3 x 0.1	octahedron	colourless irregular with octahedral growth plates
15001_069	410200	7496313	1	1 x 0.4 x 0.3 x 0.2	irregular	colourless fragment. Fractured in testing
15001_074	406306	7498338	1	1 x 0.25 x 0.15 x 0.15	octahedron	colourless, partial octahedron
15001_087	396989	7502740	1	1 x 0.3 x 0.3 x 0.2	octahedron	colourless, fragment with fine octa etch in part
15003_002	407445	7491763	1	1 x 0.25 x 0.2 x 0.15	octahedron	colourless, octa, flat, stepped surfaces
15003_012	405173	7493755	1	1 x 0.2 x 0.2 x 0.15	irregular	colourless, irregular
15003_023	405535	7494472	1	1 x 0.2 x 0.15 x 0.15	octahedron	colourless, well-formed, octa
15003_028	403463	7495935	1	1 x 0.2 x 0.2 x 0.15	octahedron	colourless, flat faced octahedron, ragged terminations
15003_039	412282	7496881	1	1 x 0.35 x 0.35 x 0.1	macle	green, cloudy macle. Lost on testing
15003_054	406107	7499304	1	1 x 0.35 x 0.25 x 0.2	irregular	colourless, irregular with cleavage surfaces
15003_074	399145	7502934	1	1 x 0.2 x 0.1 x 0.1	irregular	colourless irregular, iron staining in grooves and cracks
15004_001	407565	7493269	1	1 x 0.2 x 0.15 x 0.1	octahedron	pale pinkish-brown, elongate, complex octahedron
			27			

Source: CGN, 2023

While the microdiamonds have not yet been definitively proved as being sourced from a kimberlite body within the Webb Kimberlite Field, the circumstantial evidence is compelling:

- The microdiamonds have shape, colour, and inclusions consistent with being sourced from kimberlite.
- The microdiamonds lack significant wear consistent with having a proximal source.
- The microdiamond surface anomaly, comprising 70% of the recovered microdiamonds, is associated with the northern part of the kimberlite field.

The microdiamond surface anomaly has structure with the largest microdiamonds clustered in the east part of the anomaly which is upwind with respect to the movement of the Seif Dunes.

Based on mineralogical studies, the deepest sourced kimberlite pipes are located within the northern portion of the kimberlite field.

A microdiamond was recovered from a drill sample of the Angas Hills Formation which has been demonstrated to carry KIMS derived from the underlying kimberlite bodies. Hence the Angas Hills Formation would be expected to carry microdiamonds eroded along with KIMS eroded from any underlying diamondiferous kimberlite body.

The high occurrence of euhedral octahedra (41%) in the Webb microdiamond population (Table 6.1) suggests a high potential for diamond preservation in the source kimberlite pipes. As a rule, higher diamond grades in kimberlites are associated with a higher proportion of laminar octahedrals in the diamond population. For example, diamonds of Catoca pipe in Angola (0,8 cts/t), are characterised by a relatively high content of octahedrons (up to 40%) and 40% of rounded (dodecahedron) crystals. By contrast, diamonds from the Tchiuzo pipe in Angola (0,4 cts/t), comprise 85% dodecahedra and by only 7% octahedra (Ustinov et al., 2017). This suggests unfavourable physical and chemical conditions of diamond preservation which resulted in dissolution of stones in Tchiuzo pipe. This rule of thumb ratio is referred to as the "octa-dodec" ratio (Gurney et al., op. cit.) (Figure 6.12), and has become relevant as the primary forms of diamond are altered by oxidative stress on the diamonds in the magma during their ascent from the mantle, leads to a progressive change in form and loss of mass through resorption. The Webb microdiamonds appear to have not suffered inordinately, borne out by the high percentage retention of the primary octahedron habit. Of interest is the relatively high percentage (15%) of cubes that traditionally reflect a younger diamond component, and which may reflect growth at lower temperatures and depths, relative to those required for octahedron growth (Bundy et al., 1961). As the cuboidal crystal habits are typically regarded as being younger than the older octahedron forms, this seems to suggest that not all the Webb microdiamonds have their origin in the same mantle source, and possibly implies a range of eruptive ages for the kimberlite pipes.

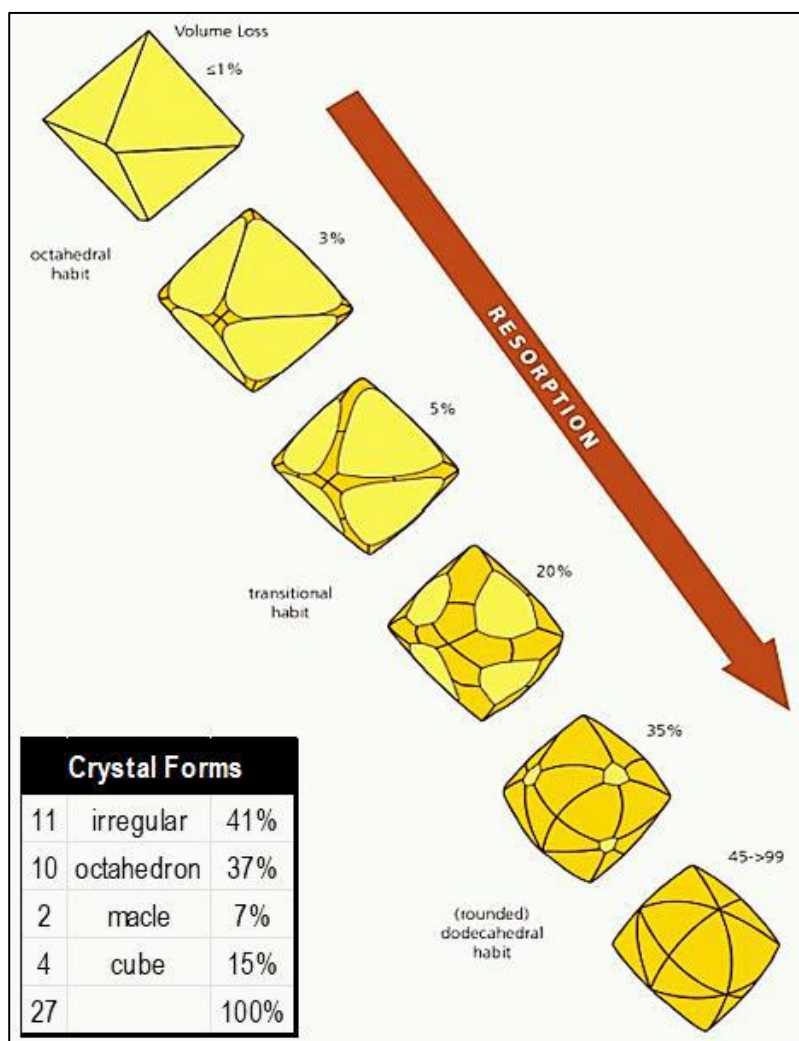


Figure 6.12: Diagram showing the "octa-dodec" ratio

Note: The high percentage of octahedra crystal habit in the microdiamonds recovered to date (inset), reflect a low or absent oxidative stress as they ascended, minimising resorption and concomitant loss of stone volume (i.e., up to 45–90% loss in volume in the dodecahedron habit). The relative frequency of crystal habit of microdiamonds recovered from the Webb tenements, is shown inset (Gurney, 1991).

6.5 Drilling Campaign

In June 2013, GeoCrystal commenced a first pass aircore program over select "bullseye" dipole anomalies within the JV tenements (Figure 6.13). Whilst the drilling campaign had targeted the initially identified 80 such targets, drilling difficulties resulted in only seven drillholes being completed. Out of these, five holes intercepted "weathered olivine-bearing ultramafic volcanic rocks", which on analysis were deemed geochemically and petrologically consistent with being classified as Group 1 kimberlite. Diamond indicator minerals including chrome diopside, pyrope garnet and chromite were identified in the drill samples and were submitted for microprobe analysis. No microdiamonds were, or have been to present, recovered from the kimberlite samples tested.

Since the completion of the first pass drilling campaign in 2013, a total of 83 holes have been drilled to date, for 8473 m (Figure 6.13, Figure 6.14, Appendix 1). The drilling has been largely RC along with limited aircore. There has been no diamond core drilling undertaken to date. Some 220 drill-spoil samples, comprising 42 tonnes of sampling, has been collected and analysed for KIMs and diamonds.

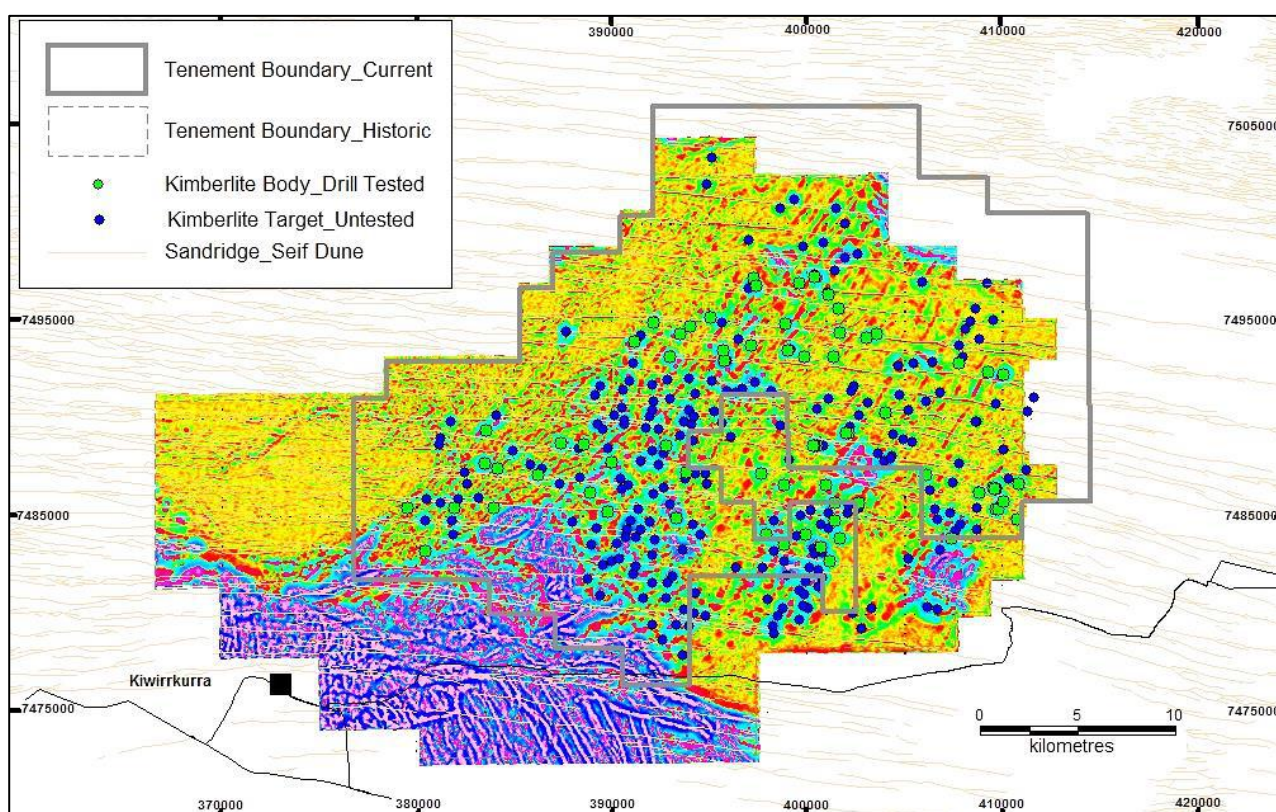


Figure 6.13: 2013 drillholes completed on the Webb Diamond JV (green dots are drilled kimberlites)

Source: CGN, 2023



Figure 6.14: RC drilling at the Webb tenements – a total of 83 drillholes have been completed, with drillhole spoils (top image) being analysed for KIM and diamond content

Source: CGN, 2023

6.6 Kimberlite Petrology

Townend Mineralogy Laboratory described a total 16 drill-chip samples in 2013 (one), 2014 (two) and 2015 (13). Fourteen were classified as Group 1 hypabyssal kimberlite, with the remaining two samples identified as diatreme facies kimberlite. All samples exhibited advanced alteration (Figure 6.15). Three of the hypabyssal kimberlite samples were macroscopically described as breccias, containing numerous xenoliths of mostly monomineralic calcite and lacking intrinsic kimberlite breccia fragments. Without exception, these kimberlite samples exhibited primarily macrocrystic olivine with serpentinised micro phenocrysts or groundmass material. In addition, phlogopite and chlorite was reported as a major constituent (up to 50%), with leucosene, apatite, chrome spinel, magnetite and pyrite occurring as accessory and trace minerals.

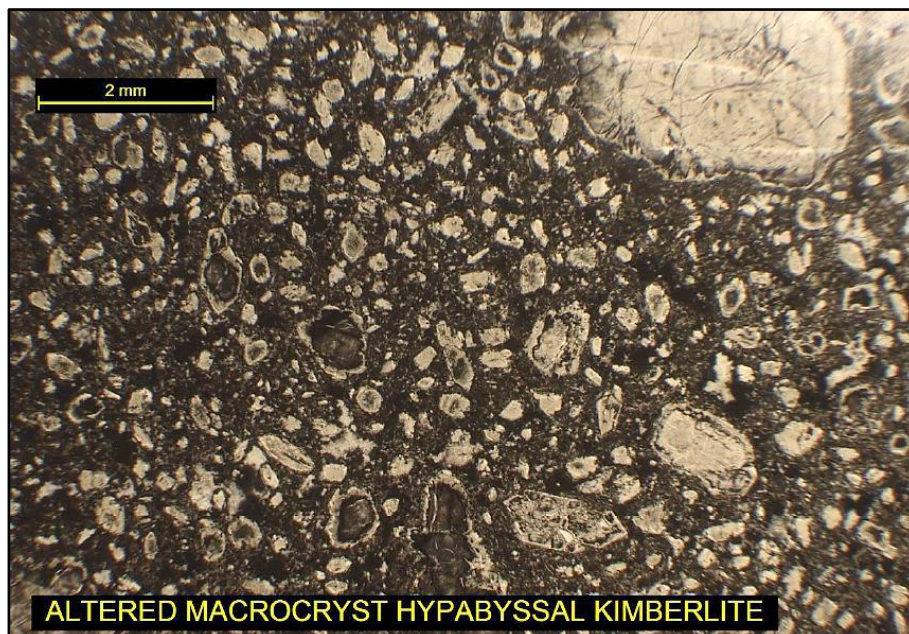


Figure 6.15: Photomicrograph (crossed-polars) showing diagnostic altered/weathered kimberlite minerals

Note: Petrographically and compositionally, the Webb kimberlites are classified as Group 1 kimberlites, typical of southern African occurrences. Source: Townend, 2013.

6.7 Indications of IOCG-style Anomalism at the Webb Project

It has been demonstrated by Aitken et al. (op. cit.) that the West Arunta Orogen has both primary diamond and IOCG potential due to its favourable geodynamic setting, i.e. its unique confluence of structure and geology and post-depositional alteration and association with the CAS deep crustal suture and potential triple-point junction district (i.e. trans-crustal intersection of the north-south trending Lake Mackay Fault and the CAS (cf. Figure 3.18, Figure 3.19). Triple-point junctions are known to house world-class orogenic deposits (e.g., Groves et al., 2018).

IOCG-style alteration and geochemistry has been identified from historical drilling both to the north and immediately southeast of the Webb tenements (Figure 6.16) and on this basis, the Webb tenements appear favourably placed for IOCG potential. This potential has been demonstrated, albeit circumstantially, during previous diamond exploration drilling programs undertaken by CGN over nearly a decade of work. An exploration impediment in the form of 35–40 m of cover sediments has effectively prohibited direct sampling methods for IOCG-related mineralisation (Figure 6.17) and thus any exploration must be remotely conducted first, prior to follow-up focused drilling programs. Details of this work are outlined in the subsequent section under diamond exploration.

Drillhole assay data collected by CGN during reconnaissance drilling of their kimberlite pipe targets returned unambiguous, heterogeneous, and anomalous metallic pathfinder elements assigned to IOCG mineralisation (indicated here as cobalt, chromium, copper, lanthanum, nickel, uranium, and Fe_2O_3). The anomalism was strongly identified in 14 kimberlite pipes (Figure 6.18, Figure 6.19) interpreted as occurring in a supergene-enriched mineralised zone that appears at c. -40 m below surface and extending up to -80 m below surface (Figure 6.17). Elemental chromium, copper, lanthanide suite REE and uranium, all concomitantly and in some cases, proportionately, increased in this supergene zone (Figure 6.20).

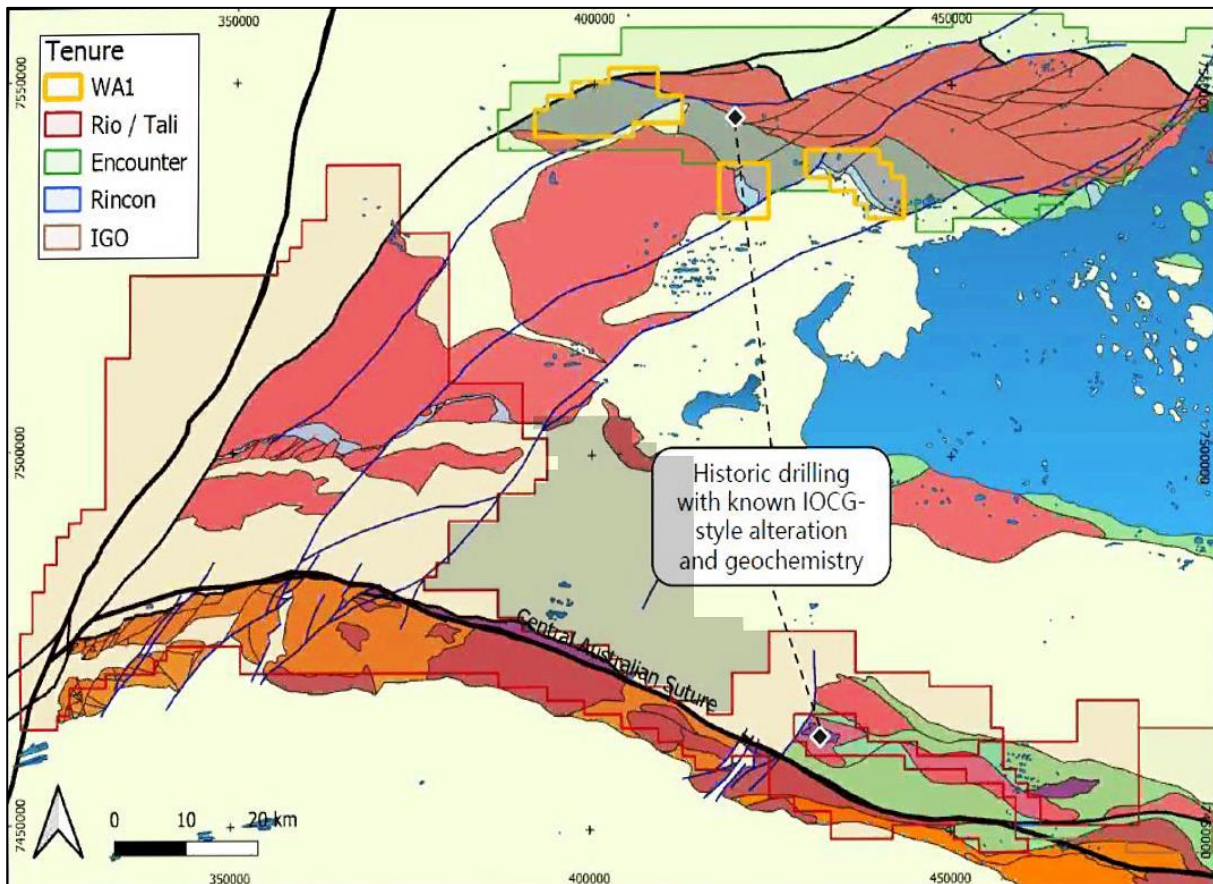


Figure 6.16: Location of historical IOCG-style drill intercepts in the West Arunta Orogen

Location of Webb tenements shown in grey at centre (adapted from WA1's presentation 17 February 2022; <https://www.wa1.com.au/presentations/>). Note north-south trending Lake Mackay Fault (at left) (WA1, 2022).

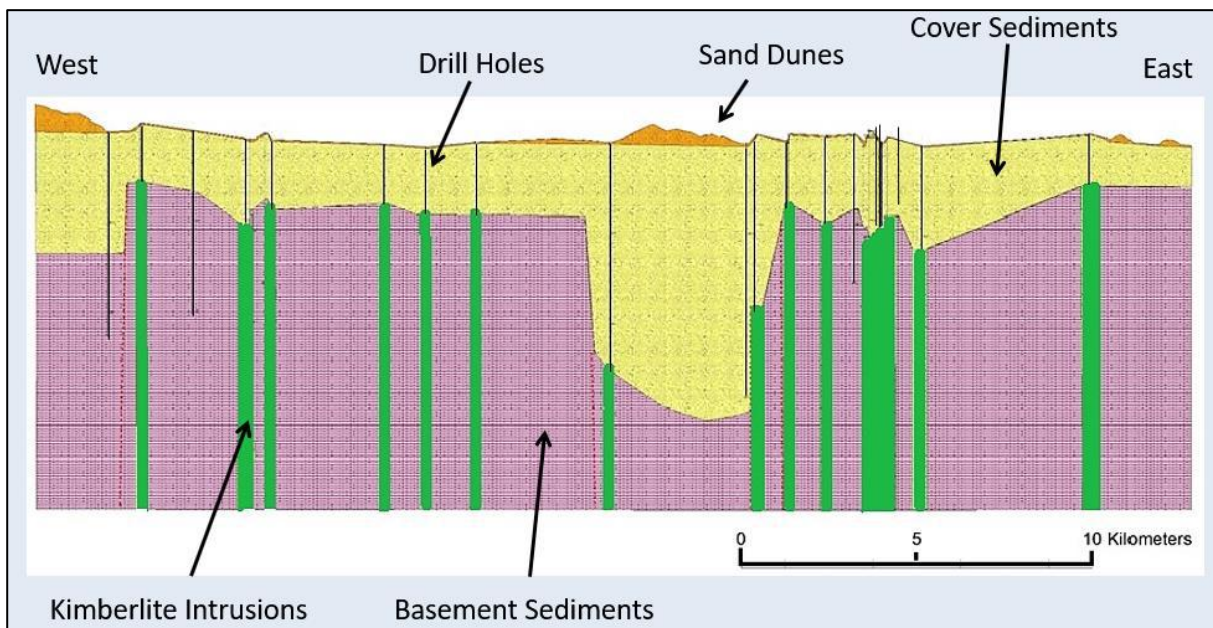


Figure 6.17: Schematic section showing sub-cropping kimberlite pipes with cover sediments, highlighting the importance of remote sensing exploration methodologies in the location of both kimberlites and potential IOCG deposits on the Webb tenements

Source: CGN, 2023

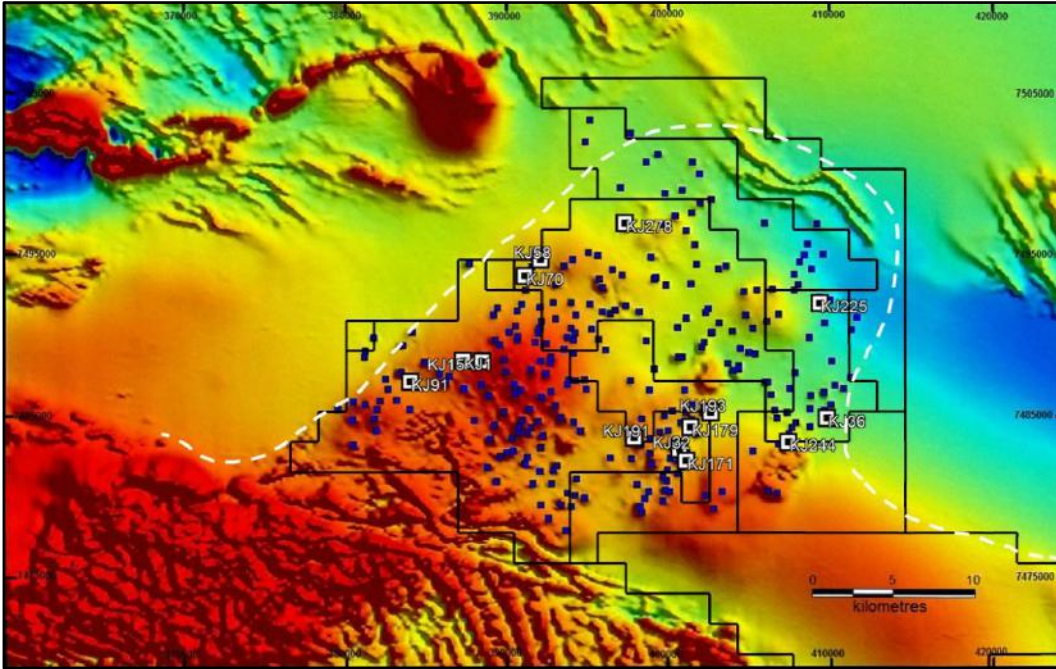


Figure 6.18: Regional airborne electromagnetic data (GSWA) overlain with interpreted and identified kimberlite pipes. Of these, at least 14 kimberlite pipes returned elevated and anomalous metallic elements associated with IOCG-style mineralisation (white squares with target names). Moreover, the IOCG-anomalism lies within an associated northwest-trending magnetic high (dashed white line) that is interpreted to be a remnant, deep-reaching lithospheric keel, necessary to form and preserve kimberlite pipes, and at the same time, host magnetically susceptible, deep-seated source bodies relating to IOCG deposits. Source: CGN, 2023.

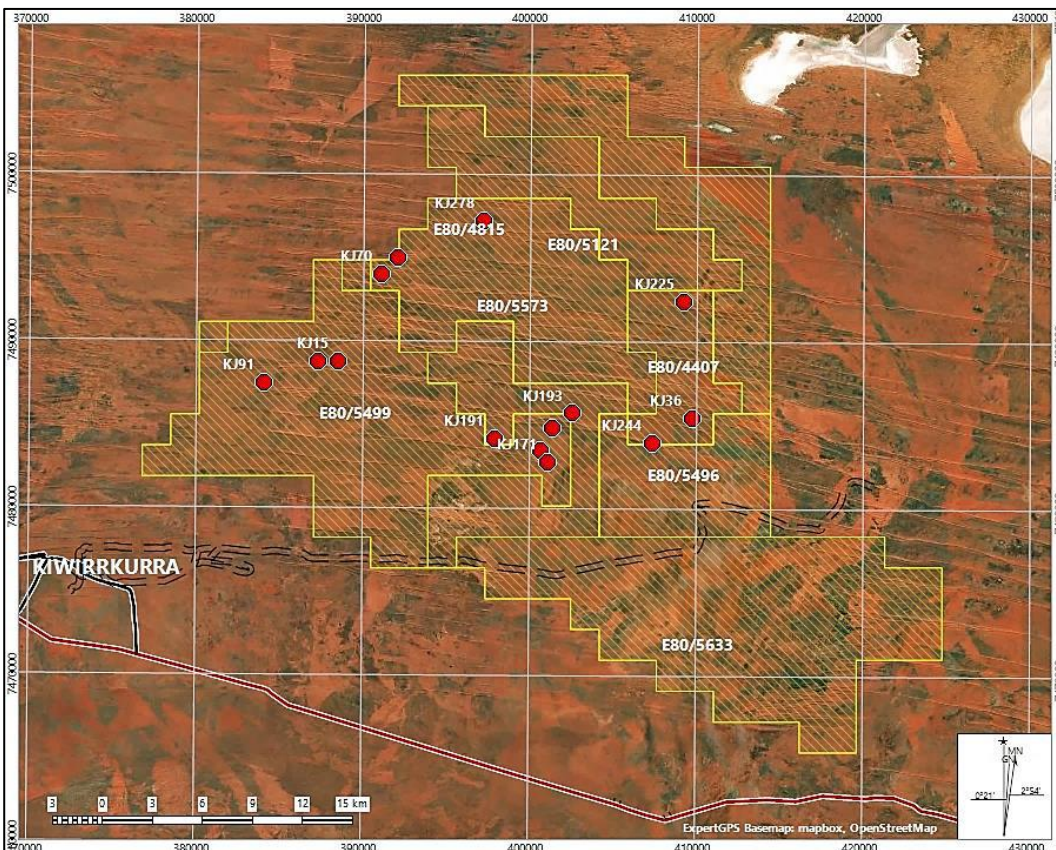


Figure 6.19: Kimberlite pipes selected on the basis of their anomalous metallic elemental and oxide IOCG pathfinder minerals including chromium, cobalt, copper, nickel, lathanum and Fe_2O_3 . Source: CGN, 2023

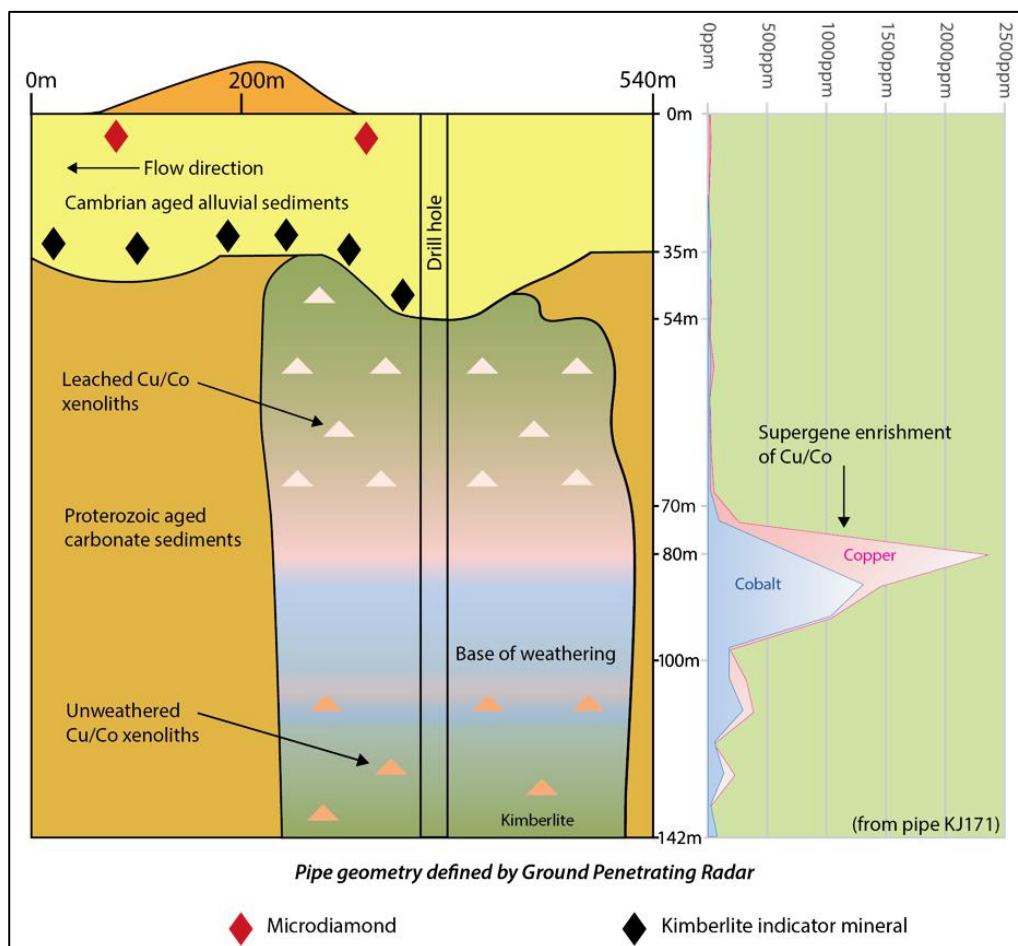


Figure 6.20: Stylised cartoon of kimberlite pipe KJ 171, showing zone of supergene enrichment of some selected IOCG-style pathfinder elements

These metallic elements and oxides are thought to be sourced from mineralised country rock xenoliths rafts. It is thought that the kimberlite passed through IOCG-style mineralisation during eruption. The mineralisation was later weathered (leached) from a palaeosurface and re-deposited as a supergene enrichment at or below the water table. An alternate model put forward is that the kimberlite eruptions have a close spatial and temporal relationship with contemporaneous with copper-gold-iron mineralisation, similar to the Tenent Creek lamprophyre (kimberlite "clan") model (i.e., Skirrow, 2021) (CGN, 2023).

6.7.1 Discussion

Elemental copper grades up to 2317 ppm (0.23% Cu in kimberlite target KJ 171, hole W14RC004) and nickel grades of up to 1.18% Ni (kimberlite target KJ 193, hole W14RC009) (Figure 6.21 to Figure 6.25) provides evidence of IOCG-style source rocks and potentially magmatic nickel mineralisation within the Webb JV tenements. In all instances, elevated levels of lanthanum (up to 674 ppm) and concomitant increases in chromium and Fe₂O₃ were also interpreted to be, in this instance, unambiguous indicators of IOCG-style mineralisation (Figure 6.21 to Figure 6.25). These results have been selected to demonstrate potential prospectivity and for informing future targets and are not intended to be representative. It is thought that the enhanced metallic elements and oxides in the vicinity of a palaeo-water table were concentrated from xenoliths incorporated in the kimberlite magma as it was explosively moving towards the surface during eruption. Supergene enrichment occurs at or near the base of the weathering profile developed over deep-seated sulphide deposits or rocks enriched in nickel, copper, and cobalt. The nickel-copper-cobalt and other metals are leached from the oxidised zone above the groundwater table, and carried downward by percolating groundwater, and deposited either by a change in redox at the water table or through reactions with hypogene sulphide minerals. The redistributed minerals then become enriched relative to the protore source. In deposits where both iron oxides occur, magnetite-rich assemblages typically form earlier, at higher temperatures, and at greater depths than haematite-dominated, variably sulphide-bearing assemblages.

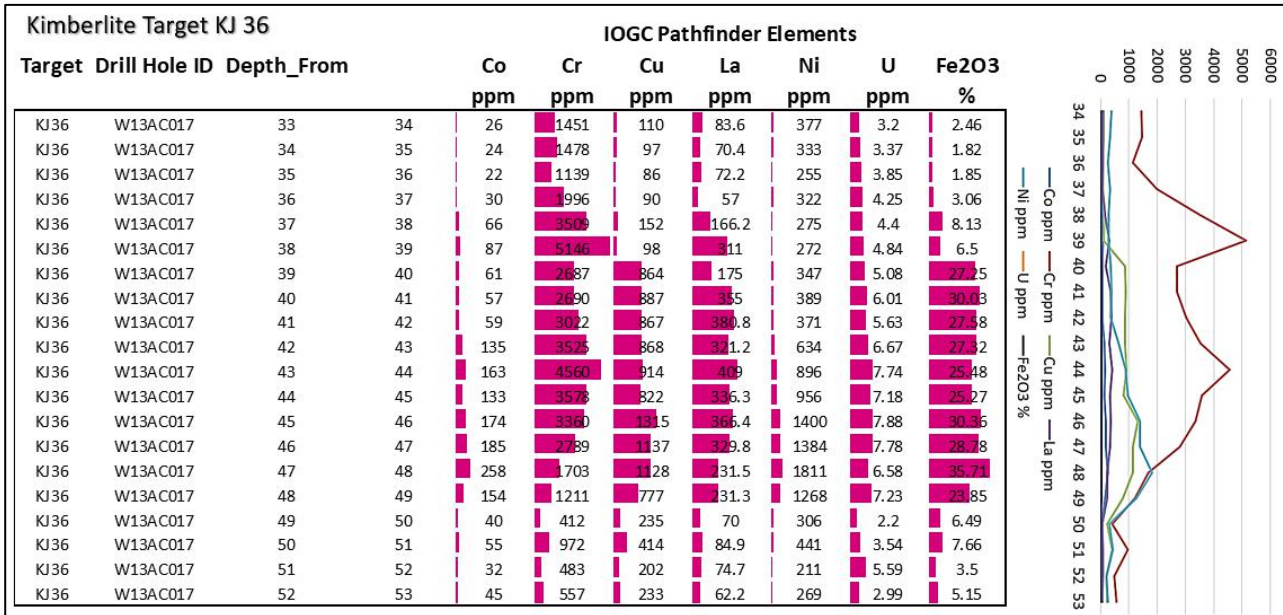


Figure 6.23: Anomalous elemental IOCG pathfinder elements recovered from drill-chip sampling kimberlite target KJ 36 on the Webb JV

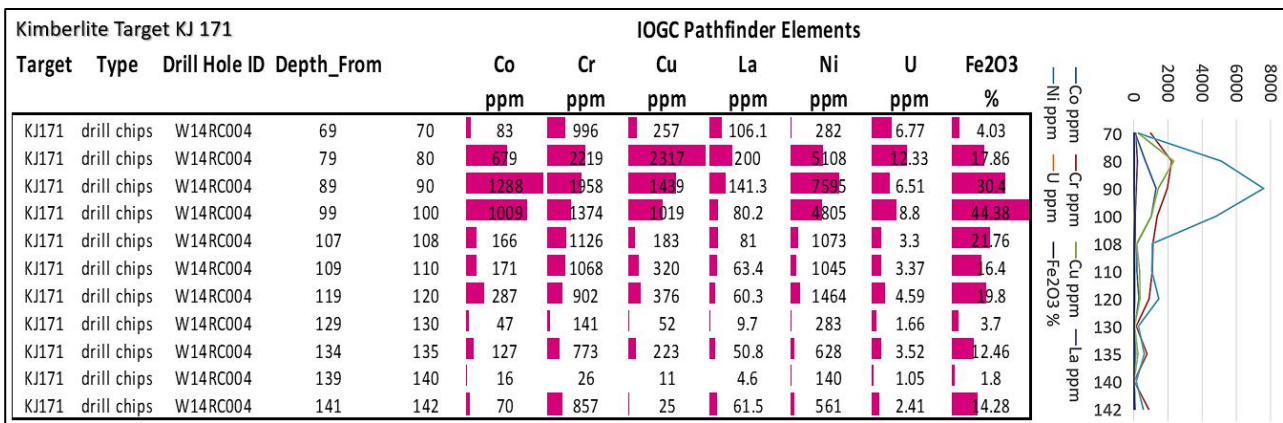


Figure 6.24: Anomalous elemental IOCG pathfinder elements recovered from drill-chip sampling kimberlite target KJ 171 on the Webb JV

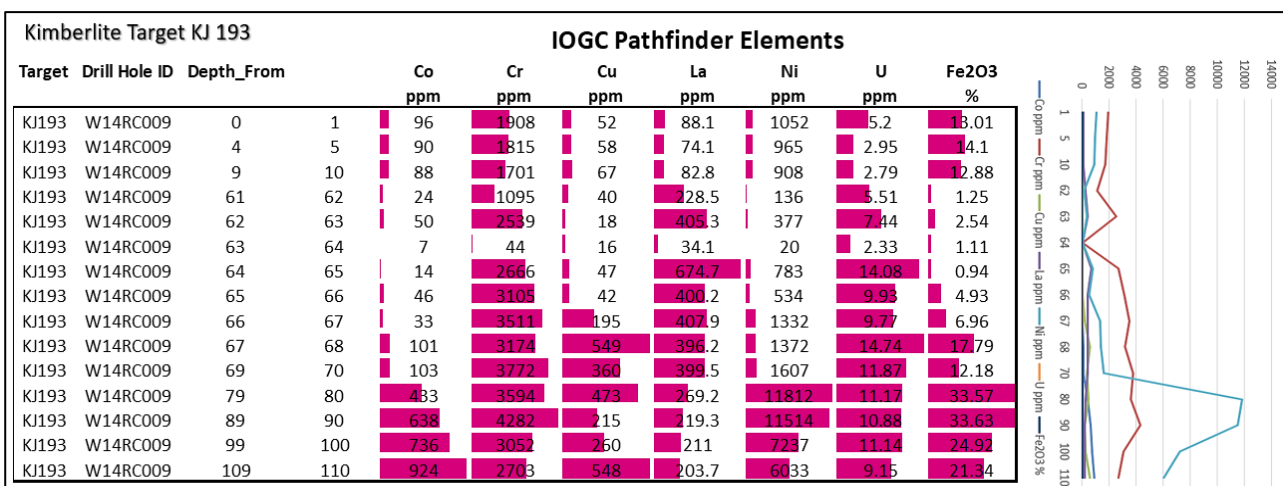


Figure 6.25: Anomalous elemental IOCG pathfinder elements recovered from drill-chip sampling kimberlite target KJ 193 on the Webb JV

7 CURRENT EXPLORATION

7.1 Exploration Rationale

CGN considers four potential deposit types targeted for exploration in the Webb Project:

- IOCG-style – supported by pathfinder minerals present in supergene zone.
- Orthomagmatic nickel – supported by very high nickel results in some cases, over 1% elemental nickel grades.
- REE mineralisation in alkaline magmatic intrusive rocks – kimberlites and/or carbonatites
- Diamondiferous kimberlites – supported by recovered microdiamonds in vicinity of kimberlite pipes.

The IOCG model is well supported by geological understanding (Section 3.4) as well as important occurrences in the local region and anomalism within the project tenements. CGN has stated that this model will be the primary focus of ongoing exploration.

IOCG prospectivity is supported by:

- Favourable geological and geodynamic setting as described by Geoscience Australia, when comparing other metallogenic models supporting the prospectivity of the West Arunta Orogen for IOCG mineralisation (Section 3)
- Projects in the local region including Pokali (Rincon) and Grapple and Bumblebee (IGO), which are described as having important characteristics of IOCG mineralisation (Section 5)
- Neighbouring explorers who are actively exploring IOCG-style mineralisation and whose work supports a similar model for the mineral anomalism recovered from the Webb Project (Section 5)
- CGN has detected significant anomalism in copper and other elements associated with IOCG through the course of drilling testing of kimberlite targets (Section 6.7)
- The interpretation of geophysical data by CGN which has revealed gravity and magnetic targets with potential for IOCG mineralisation.

Nickel prospectivity is supported by:

- Presence of high-grade nickel in drillhole W14RC009 (402598mE, 7485680mN, vertical hole, 110 m total depth)
- Mineralised intercept within W14RC009 of 2 m at 1.16% Ni from 66 m to 68 m in a partially sampled 24 m zone (66–90 m) averaging 0.52% Ni (0.2% Ni cut-off)
- Intercept also highly anomalous in chromium, copper, magnesium, iron, vanadium, and sulphur with low silica
- The drillhole directly overlies a distinct sill-like feature in the magnetic data.

REE prospectivity is supported by:

- A significant intercept of REEs in drillhole W14RC045 (409256mE, 7492390mN, vertical, 100 m total depth)
- Mineralised intercept in W14RC045 of 37 m (63–100 m) zone at 0.38% total rare earth oxide (“TREO”) (0.25% TREO cut-off) with the highest value of 0.71% TREO at 93–94 m near the bottom of the hole
- The Intercept occurs adjacent to a coincident magnetic and gravity high interpreted as a possible carbonatite intrusive
- The drillhole aligns with a strong dyke feature in the magnetics that could have carbonatite affinities with the large intrusive feature.

Diamond exploration has been the focus of exploration from 2013. CGN has defined and tested a number of targets (Section 6) with encouraging results. During the course of diamond exploration, CGN has developed an improved geological understanding of the project area and has subsequently defined a

number of important geochemical anomalies and signatures, which CGN considers to be supportive of an IOCG model.

7.2 Geophysical Targeting of IOCG Mineralisation

It has been determined by Skirrow et al. (op. cit.) that the highly anomalous magnetic-gravity signatures of extremely iron oxide-rich rocks can be distinguished from those of most mafic igneous rocks. In general, a good correlation is observed between magnetic intensity highs and IOCG mineralisation on a deposit scale, but the response may be complicated by demagnetisation in massive magnetite deposits, due to the highly variable susceptibility of the iron oxides present (approximately 10^+ SI and 125×10^{-5} for magnetite and specular hematite, respectively; Vella and Emerson, 2012). In the case of haematite-rich IOCG deposits such as Prominent Hill, the magnetic response may not be related to the mineralisation (Hart and Freeman, 2003; cited in Austin et al., 2013). In 2000–2002, BHP Billiton developed a concept to explore the Chilean Iron Belt for potentially overlooked haematite dominated IOCG mineralisation using the (then proprietary) Falcon AGG and total field magnetic system (F. Bunting, pers. comm., 2017).

In 2002, Far West Mining Limited and BHP Billiton formed an agreement to conduct a regional exploration program (the Candelaria Project), and work was initiated later that year with a large regional Falcon survey. The importance of traditional geophysical exploration methodologies and modelling in the exploration for IOCG-style deposits has been highlighted by the work conducted by Rincon at its Pokali prospect (E80/5241). The Pokali deposit outcrops and is mineralised from surface, thereby providing a point of departure for wider spaced geophysical exploration and follow-up delineation drilling to determine the potential size of the mineralised system. Despite this, determination of lateral and depth constraints required the interpretation of existing induced polarisation surveys utilised in conjunction with modelled magnetic and deep-seated gravity signatures (Figure 7.1) (Rincon Resources ASX Announcement, 15 October 2021: <https://www.rinconresources.com.au/wp-content/uploads/2021/10/High-Priority-Copper-Gold-Targets-Identified-at-Kiwirrkurra.pdf>). Importantly, because of the diverse mode and occurrence of IOCG deposits and their heterogenous nature, the Pokali deposits were only identified on a review of existing drilling, geochemistry, geophysics (i.e. coincident gravity-magnetic anomalies), existing mineral prospects and local and regional structural interpretations. The inclusion of the Rincon example here serves to make CGN aware that it is this kind of multi-disciplinary approach that will be required for the successful exploration and accountability of any IOCG deposits within its tenements.

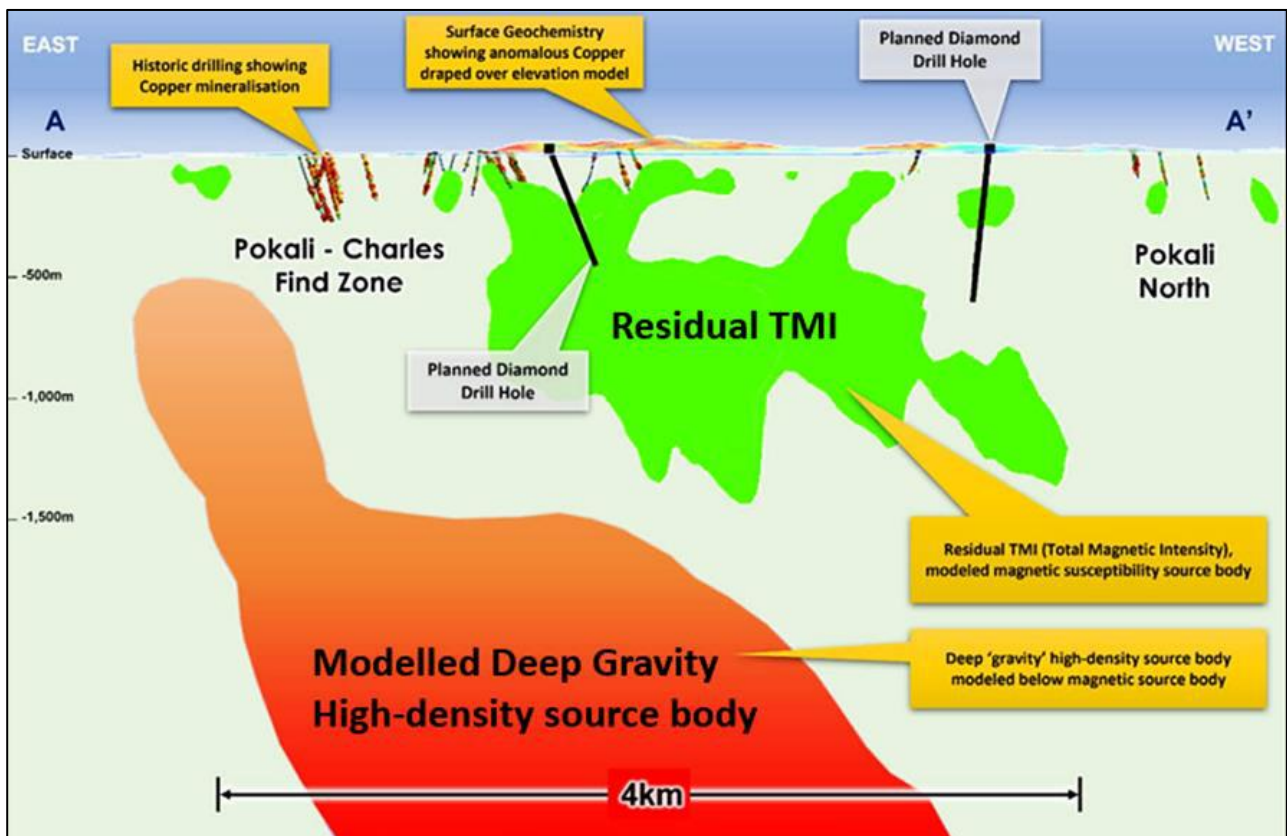
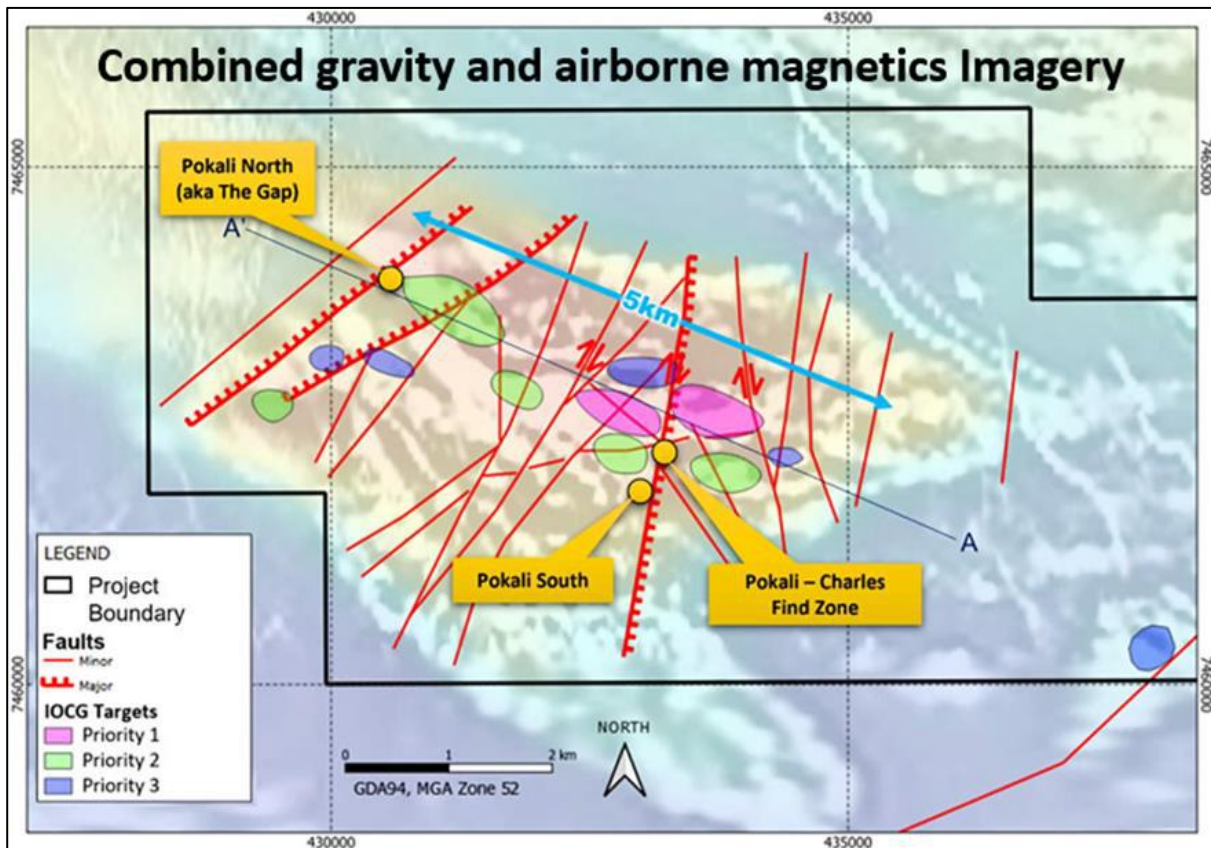


Figure 7.1: Rincon's Polkani prospect (top image – IOCG targets overlain with both gravity and aeromagnetic imagery; bottom image – section along A-A1 showing modelled magnetic and gravity anomaly source bodies

Source: Rincon ASX announcement, 15 October 2021

7.3 Geologic Context for Current IOCG Targeting

CGN has interpreted gravity and magnetic data to define four high-priority IOCG targets (Figure 7.2). Known IOCG deposits have significant amounts of iron oxides haematite and magnetite which can be effectively imaged using gravity and magnetic data. All the major IOCG deposits in the Gawler Craton in South Australia have been discovered by this method. Based on this work, CGN has developed four priority IOCG targets – Tantor, Surus, Snorky, and Horton (Figure 7.2).

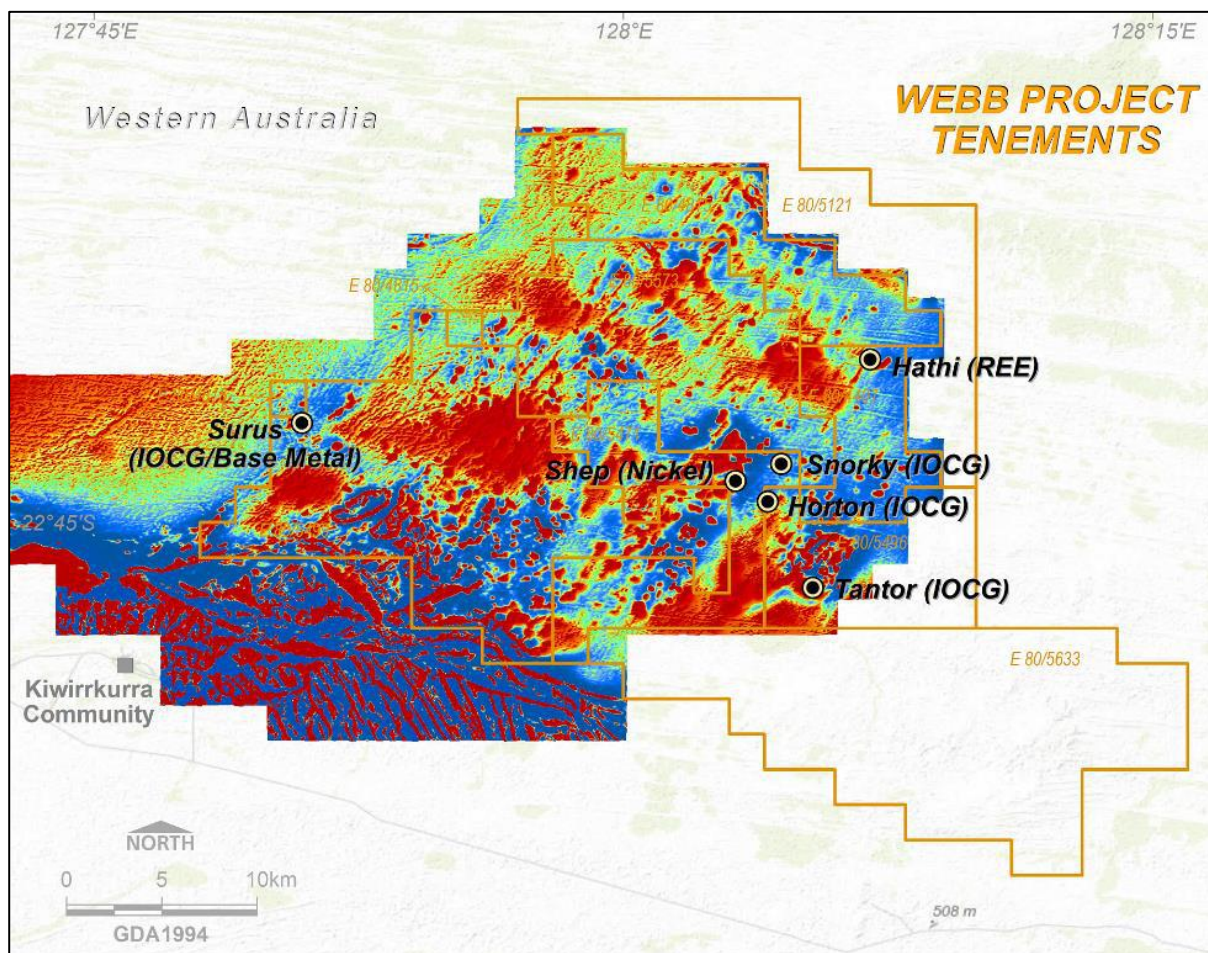


Figure 7.2: Webb Project high-priority targets

Source: CGN, 2023

7.3.1 Tantor Target

The Tantor target (Figure 7.3) is defined by a discreet ~1 mgal gD gravity anomaly associated with a semi-coincident 150 nT magnetic anomaly, located proximal to a major northeast trending fault. The magnetic anomaly of interest is an obvious positive feature that occurs on the southeast margin of a broader circular shaped magnetic feature that is interpreted to be the aureole response from an intrusive. Immediately to the east of the Tantor target area is a strong gravity and magnetic gradient from an interpreted north-northeast trending structure. The proximity of the intrusive up against what is interpreted to be a crustal scale feature provides strong alignment with IOCG emplacement models. There is no drilling in the target area from which geology can be inferred.

3D modelling of the potential field data indicates that the depth to the top of the target is ~300 m beneath surface, is defined as a sub-vertical pipelike geometry that has significant depth extent (>2 km). The gravity anomaly is modelled as sub-vertical body that is coincident to the eastern half of the magnetic anomaly (Figure 7.3). This contact is sharp and well defined by inversions of the data. The anomaly is a similar scale to Prominent Hill IOCG deposit in South Australia.

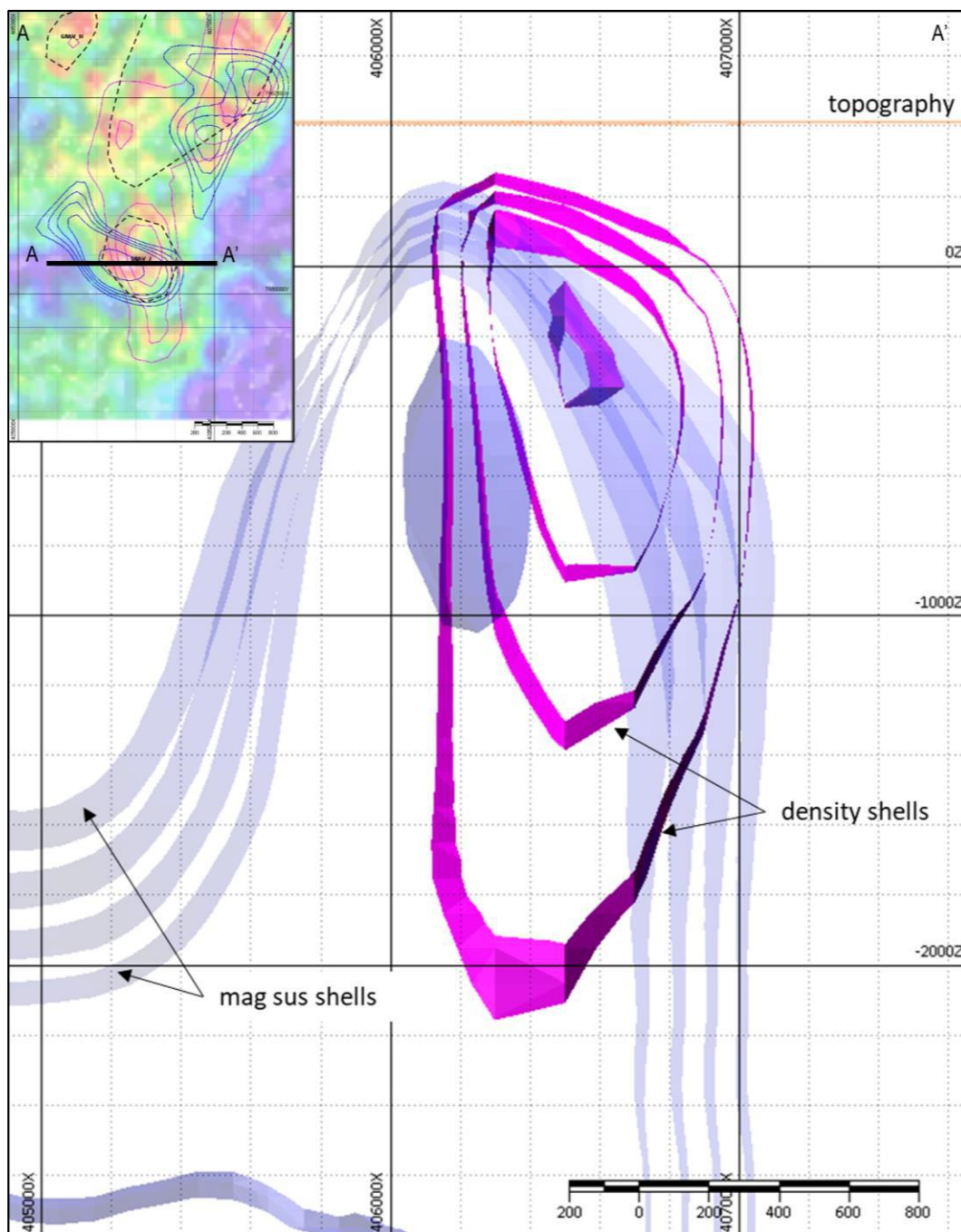


Figure 7.3: Tantor IOCG target with 3D model isosurfaces for magnetics (blue) and gravity (magenta); section view, looking north, VE 1

Source: CGN, 2023

The geophysical responses observed are consistent for IOCG mineralisation within economic exploration skin-depth (~2 km). The target is upgraded and considered a high priority based on the amplitude and offset nature of the magnetic and gravity anomalies. This may be related to a change in oxidation state of iron oxides as is typical for IOCG deposits.

7.3.2 Surus Target

The Surus target (Figure 7.4) is defined by a ~2.5 mgal gD gravity anomaly located proximal to a major northeast trending fault. 3D modelling of the gravity data indicates the depth to top is ~300 m beneath surface and has a subvertical pipe-like geometry. Magnetic data shows no associated anomaly and rather a speckled texture with point-like magnetic sources. There is no drilling in the target area.

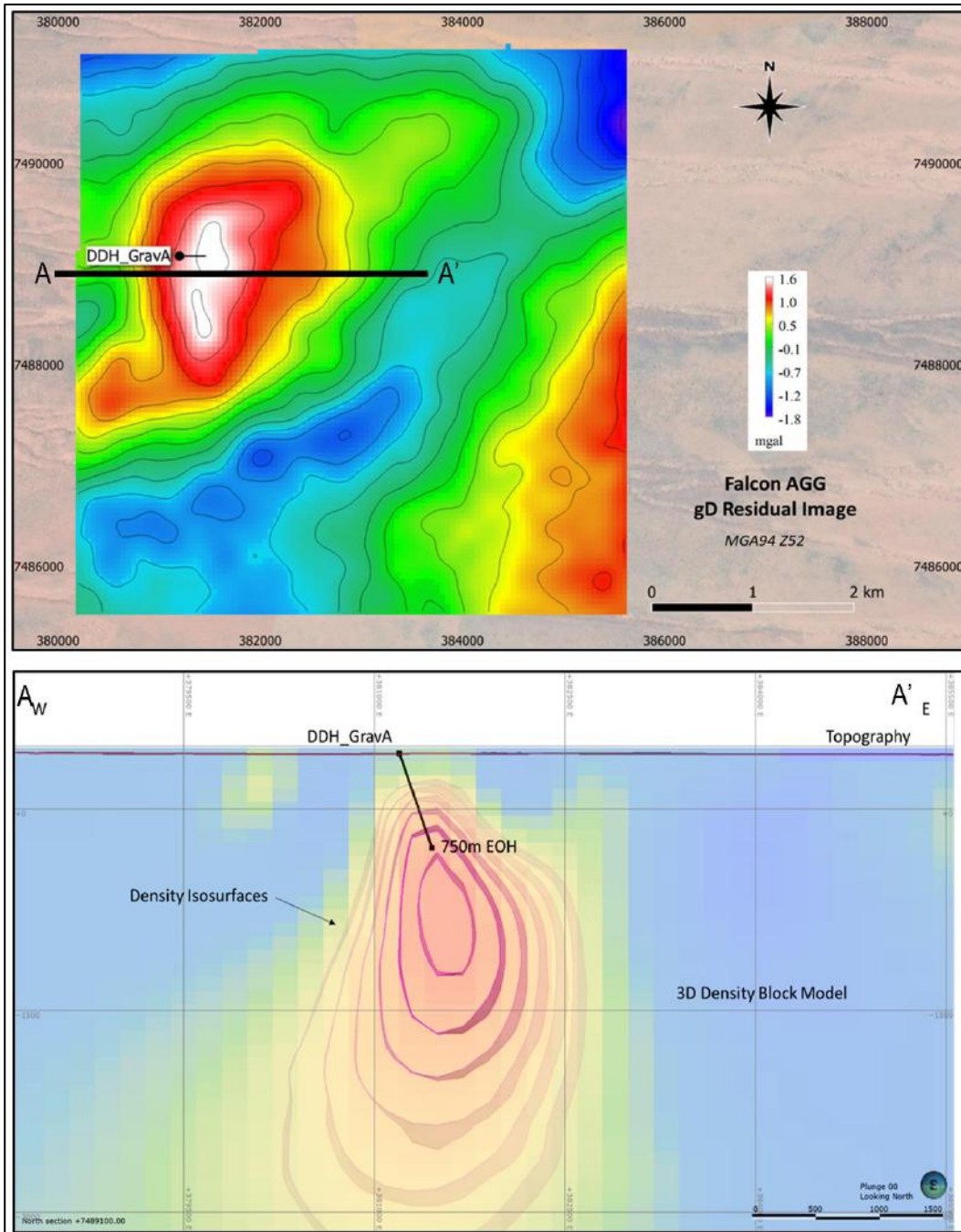


Figure 7.4: Surus IOCG target on (above) gravity image (bottom) 3D model isosurfaces for gravity (magenta), section view, looking north, VE 1

Source: CGN, 2023

Geological interpretation (Joly et al., 2013) based on geophysical interpretation suggests that this target lies on or close to a fault which controls the Phanerozoic Canning Basin sediments to the west. Interpretations of the magnetic data support the view that the anomaly is on the northwest side of the fault and is possibly hosted in Phanerozoic rocks, rather than basement. If this is the case, it downgrades the anomaly for Proterozoic IOCG mineralisation, however, the geology in this region is very poorly constrained and the age of the rocks to west of this fault are not known. Nonetheless, the target is still considered prospective for Phanerozoic IOCG mineralisation. Furthermore, if the target is within the target is also considered prospective for structurally or salt dome controlled base metal mineralisation within the Canning Basin and underlying Neoproterozoic Basin. Alternatively, the gravity response observed at Surus may be related to a late alkaline intrusion with alteration and possible mineralisation.

7.3.3 Horton Target

The Horton target (Figure 7.5) is defined by a discreet ~1 mgal gD gravity anomaly occurring at the termination of a positive northeast-southwest striking gravity trend. 3D modelling of the gravity data indicates the source body has a depth to top of ~200 m and significant vertical extent (>1 km). Magnetic data shows no associated anomaly. There is no drilling in the target area.

The discreet high amplitude nature of the gravity response is consistent with a haematite dominated IOCG system.

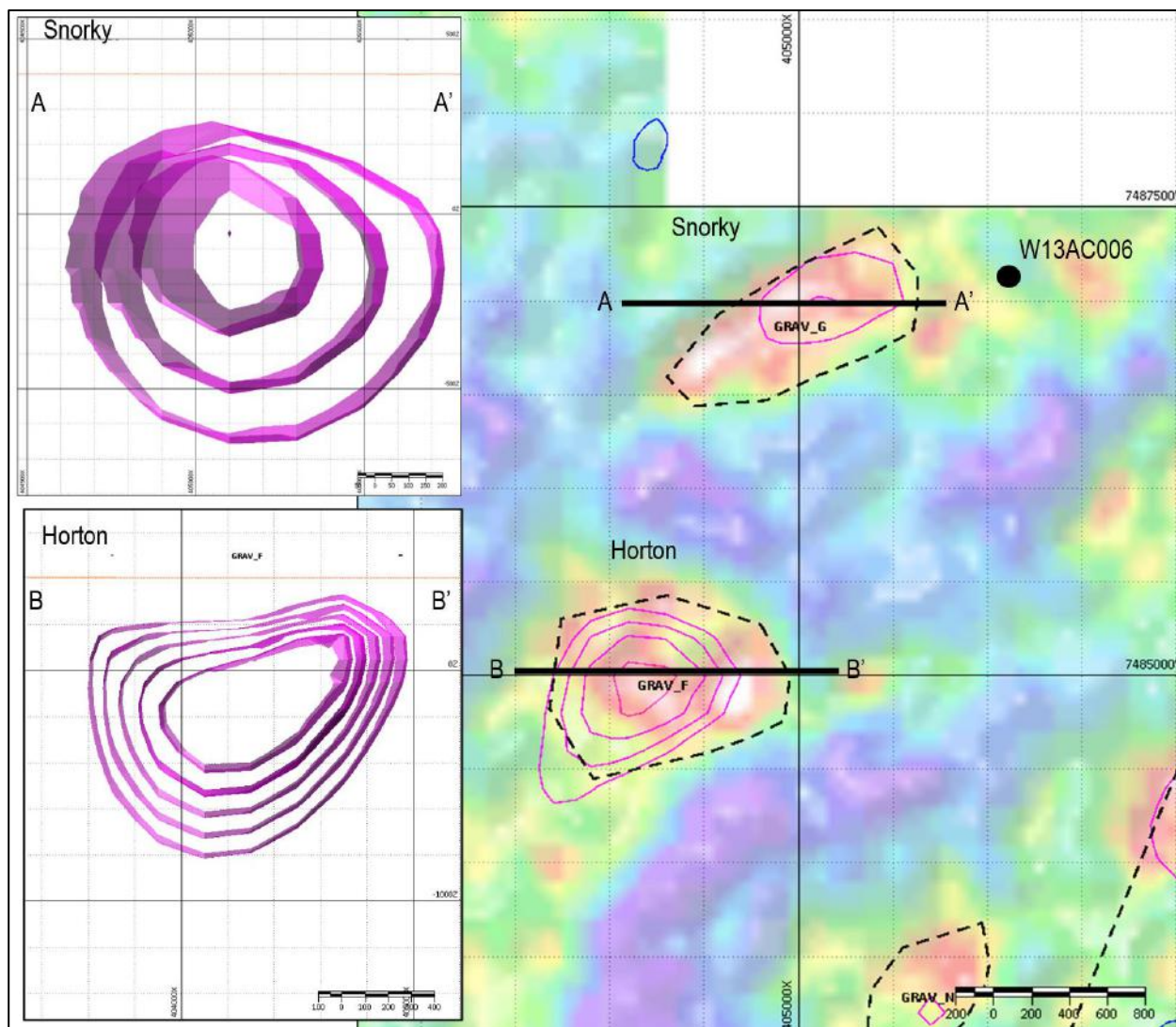


Figure 7.5: Snorky and Horton IOCG targets on (right) gravity plan image (left) 3D model isosurfaces for gravity (magenta); section view, looking north, VE 1

Source: CGN, 2023

7.3.4 Snorky Target

The Snorky target (Figure 7.5) is defined by a discreet ~0.7 mgal gD gravity anomaly proximal to elevated copper-cobalt intercepts (Bitter Springs Formation) in drillhole W13AC006. The gravity feature has ~1.5 km strike extent and is truncated on its northern flank by a northeast trending structure. 3D modelling of the gravity data indicates the source body has a depth to top of ~300 m and significant vertical extent (>1 km). Magnetic data shows no associated anomaly.

The discreet high amplitude nature of the gravity response is consistent with a haematite dominated IOCG system.

7.3.5 Shep Target (Nickel)

The Shep nickel target (Figure 7.2) is based on geophysical anomalies that suggest a sill-like structure (Figure 7.6) that is coincident with anomalous nickel values intersected in earlier drilling targeting a kimberlite (refer to Section 3.5). Although this material is logged as kimberlite, the material is oxidised and mostly clays with minor saprock. Routine elemental assaying of the kimberlite in drillhole W14RC009, returned elemental nickel grades of up to 1.15% Ni (Figure 7.6 and Figure 6.25).

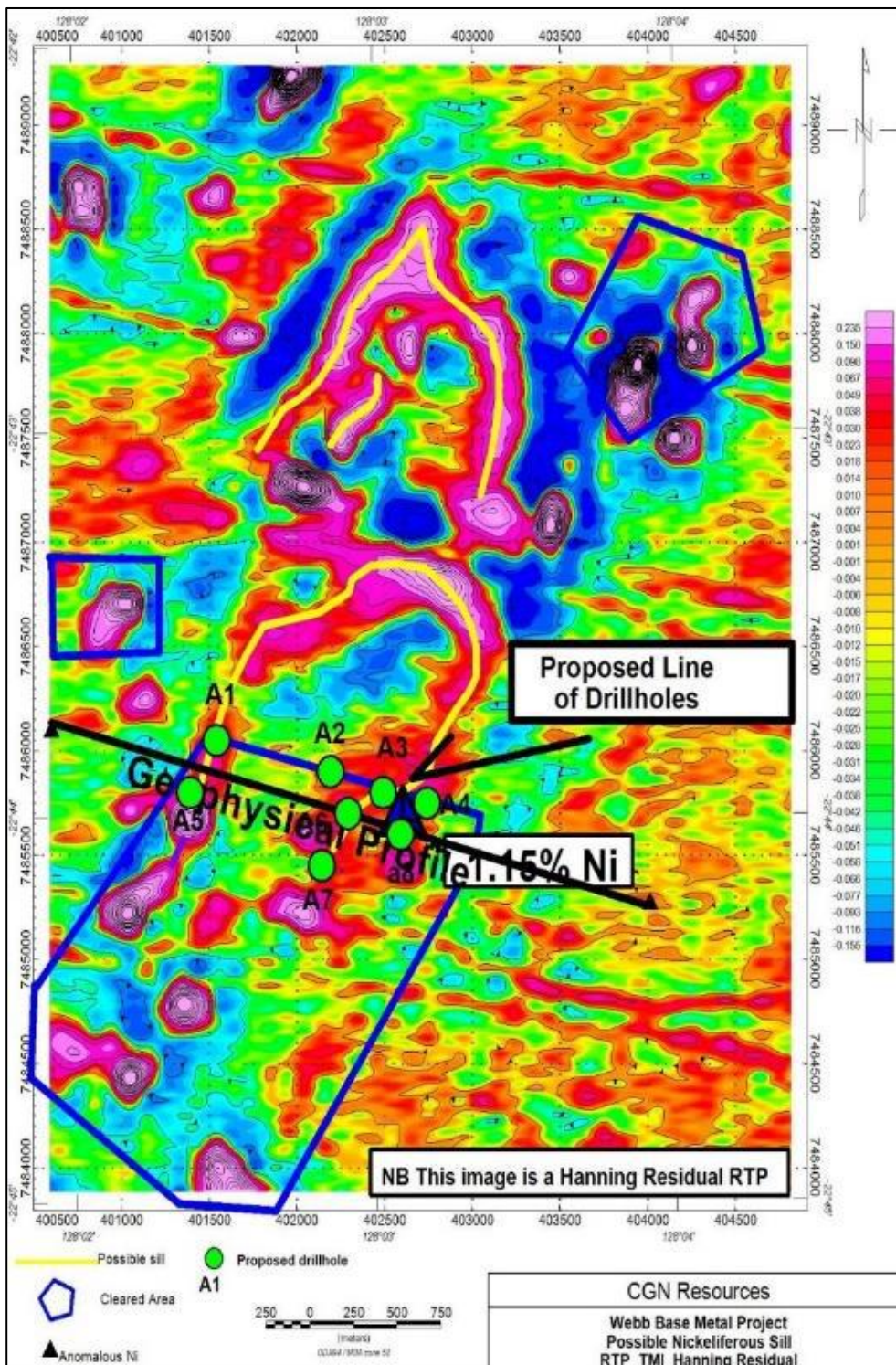


Figure 7.6: Planned RC drilling over the Shep target sill feature

Source: CGN, 2023

The bottom 44 m of W14RC009, although only partially sampled every 10 m, has highly anomalous nickel, chromium, cobalt, magnesium and Fe₂O₃ values ranging from:

- 0.12% Ni to 1.15% Ni
- 0.16% Cr to 0.42% Cr
- 130 ppm Co to 934 ppm Co
- 6.4% Mg to 10.6% Mg
- 11.0% Fe₂O₃ to 33.5% Fe₂O₃
- Elevated sulphur results 0.04%
- These highly elevated elements also coincide with significantly lower silica (16–20%) compared to results immediately up hole which range from 35% SiO₂ to 88% SiO₂.

A similar trend in mineralogy can be found in hole W14RC008 which was drilled 1.25 km to the west on the other side of the sill feature. It too was routinely sampled at 10 m intervals within the basement from 46 m to 148 m. It has anomalously high values for nickel, chromium, cobalt, magnesium, and iron, with lower silica over the entire interval coupled with highly anomalous sulphur values as high as 1.84% S. The level of anomalism is lower than that in W14RC009, but the mineral trends are the same.

Although within the oxidised zone, this suite of anomalous elements is indicative of mafic to ultramafic rocks. The presence of these anomalous results directly overlying sill-like feature in the magnetics is strong evidence that a mafic/ultramafic intrusive sill may be present and may be a primary source of the nickel. An alternative view is that the kimberlite has entrained some nickel-rich material as xenoliths during emplacement. In either case, the probable supergene enrichment at the base of the weathering profile has likely enhanced the concentration of nickel and other metallic elements in the vicinity of a palaeo-water table; however, the distinct elemental signature for mafic/ultramafic rocks and clear magnetic target makes this a relevant target for testing (Figure 7.6).

CGN plans to undertake a line of drilling to further investigate this anomaly (Figure 7.6, Table 7.1).

Table 7.1: Collar positions for the proposed drilling program of the Shep nickel target

Target	Hole ID	Easting	Northing	Dip	Proposed depth (m)
Shep	A1	401550	7486050	-90	250
Shep	A2	402200	7485900	-90	250
Shep	A3	402500	7485800	-90	250
Shep	A4	402750	7485750	-90	250
Shep	A5	401400	7485800	-90	250
Shep	A6	402300	7485700	-90	250
Shep	A7	402150	7485450	-90	250
Shep	A8	402600	7485600	-90	250
Total depth					2,000

Source: CGN, 2023

7.4 REE Targets

REEs have seen a significant growth in exploration activity since the firming of prices in 2003. Since then, numerous deposits have come on stream (e.g., Mount Weld, Australia), with many more under evaluation (e.g. Caldeira Project, Meteoric; Nolans Project, Arafura), reaching c. 300,000 tonnes in 2022 (Figure 7.7). In 2022, China's REE mines accounted for 70% of the global production of rare earth oxides ("REOs") (source: <https://www.statista.com/statistics/1187186/global-rare-earths-mine-production/>).

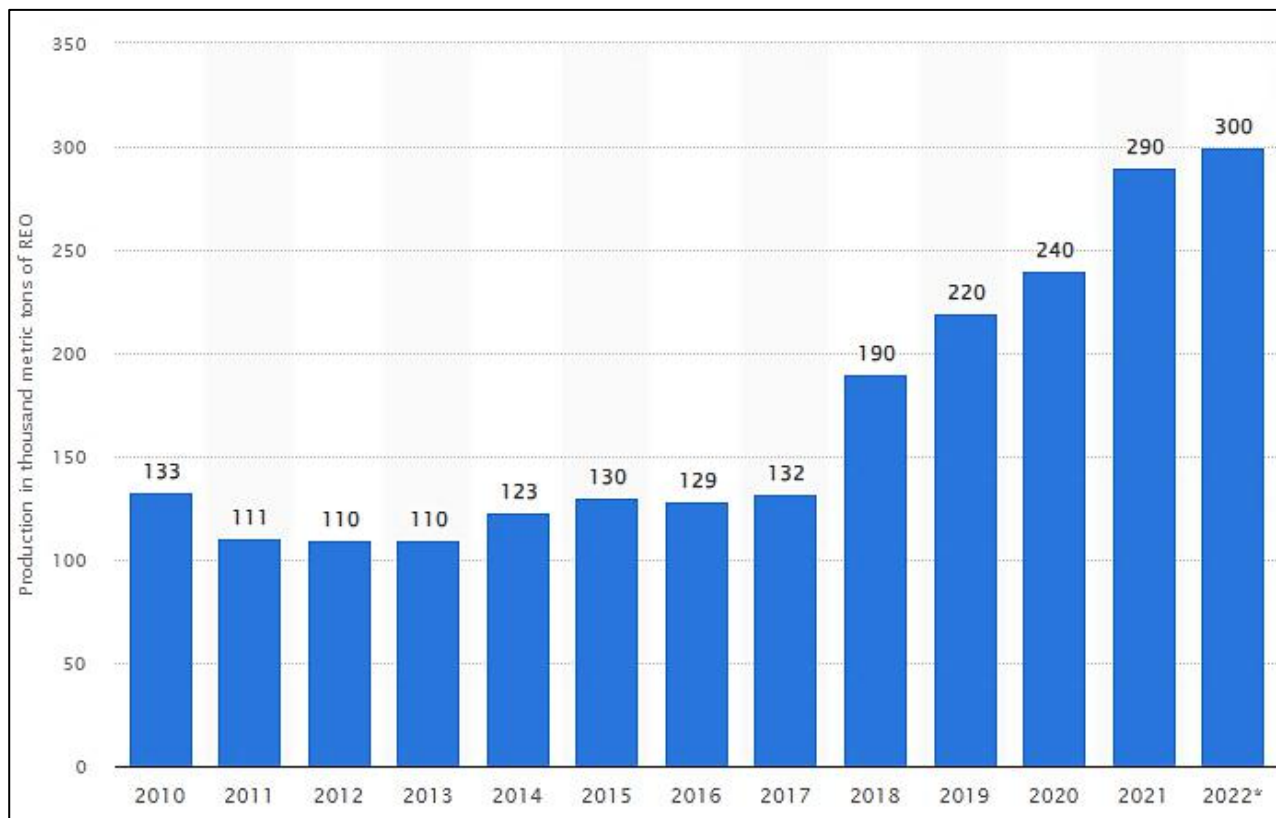


Figure 7.7: Global production of REOs

Source: Statista, 2023

Historically, REEs have been produced from monazite as a by-product from the mineral sands industry (e.g., Hellman and Duncan, 2014), but REE deposits are increasingly being discovered as ionic adsorption clay deposits (e.g., Meteoric's Caldeira project; Abx Group Ltd's Deep Lead-Rubble Mound deposit, Tasmania; Australian Rare Earths Limited's Koppamurra project).

7.4.1 REE from a Carbonatite Source

There is evidence to show that carbonatite magmas can evolve alongside and from, near-primary kimberlite melts within the cratonic lithosphere (Tappe et al., 2020). Kimberlite and carbonatite dykes are known to co-exist at the Cullinan diamond mine in South Africa, showing the complexity in magma evolution where carbonatite magmas can evolve from near-primary kimberlite melts within cratonic lithosphere (Tappe et al., 2020).

Carbonatites are the premier source of light rare earth element ("LREE") deposits and are some of the most prospective rock types to explore for REE mineralisation (Figure 7.8).

Examples of significant carbonatite-related REE deposits are the Chinese Bayan Obo deposit, which is the main world producer of LREEs (bastnaesite and monazite mineralogy, with associated fluoro-carbonates) from a carbonatite-related hydrothermally replaced dolomitic marble (Hellman and Duncan, op. cit.), and the Mount Weld deposit (Lynas Rare Earths). The latter carbonatite is one of the highest grade REE deposits in the world and the REEs are contained in secondary phosphates and aluminophosphates derived from the weathering of the Mount Weld carbonatite. The Mount Weld mine is expected to be the largest source of REEs outside of China.

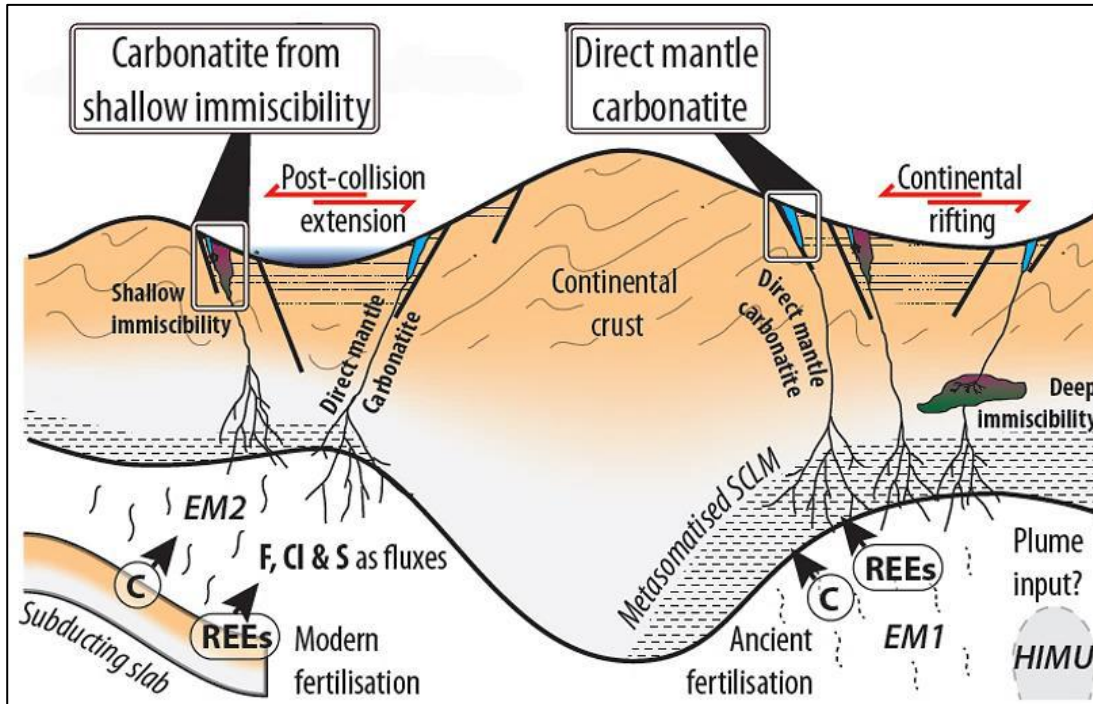


Figure 7.8: Types of carbonatite formation and REE enrichment pathways (C = cooling brines, HIMU = high uranium source, EM1 and EM2 = enriched mantle sources)

Source: Anenburg et al., 2021

7.4.2 REE from a Kimberlite Source

Recently, carbonatite-related deposits (kimberlites) have been touted as a possible new source of REE deposit. Two newly discovered Mesozoic (Cretaceous age) Group II (phlogopite) kimberlites in the North China Craton show extremely high total REE contents (1046–1869 ppm) (Hou et al., 2021). Like carbonatitic and other mantle-derived intrusive suites, kimberlites are derived from the deep mantle (e.g., Woodhead et al., 2019). Elevated REEs in kimberlite dykes at the Camelot prospect in WA (Figure 7.9) includes mineralisation up to 2295 ppm TREO (Olympio Metals Ltd, ASX:OLY announcement, 7 March 2023).

The potential of mantle-derived intrusive suites in the West Arunta Orogen has been pioneered by WA1, with its West Arunta project 2022 drill program, resulting in the discovery of niobium and REE mineralised carbonatite systems at its Pachpadra (P2 Target) Carbonatite and Luni Carbonatite prospects (Figure 7.10). Also associated with the REEs are high levels of niobium and elevated levels of phosphorus.

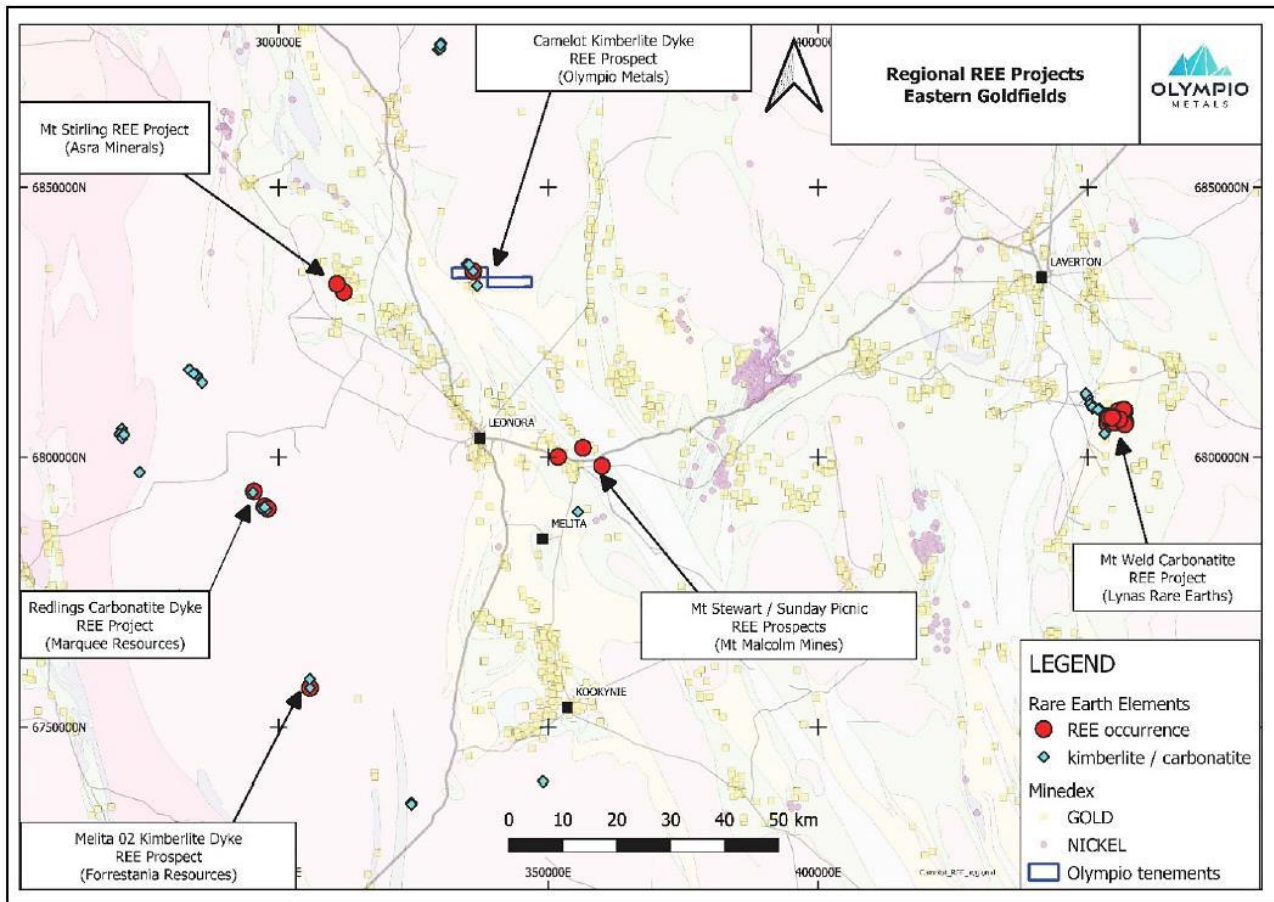


Figure 7.9: Kimberlite REE projects in WA (kimberlites are touted as a potentially new primary and global REE source)
Source: Olympio Metals, ASX announcement, 29 May 2023)

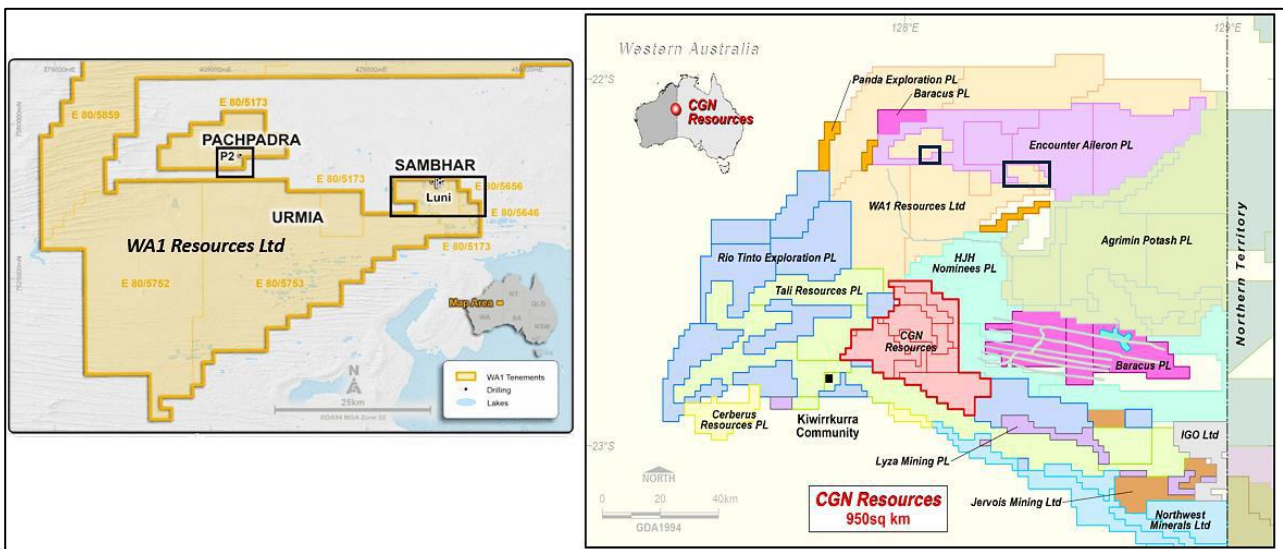


Figure 7.10: WA1's REE carbonatite projects north of the CGN Webb tenements; insets shown in detail at left (CGN, 2023 and at left, WA1, 2023)

7.4.3 Hathi Target

The Hathi REE target (Figure 7.11) aligns with a northeast/southwest trending dyke-like feature in the TMI plot. The dyke-like feature either transects or is an apophysis of a large deep-seated magnetic feature to the west of the dyke (Figure 7.11).

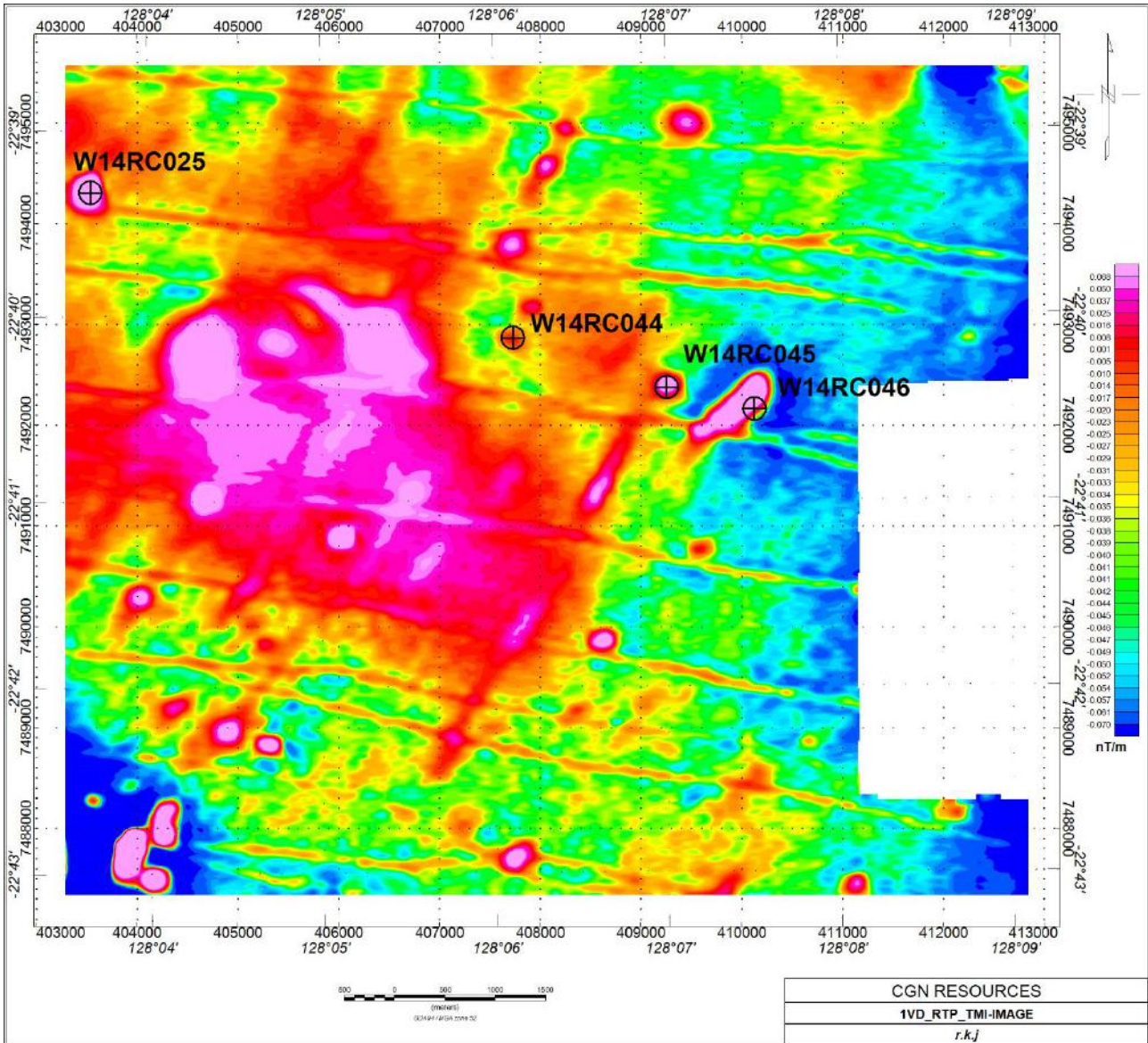


Figure 7.11: TMI image showing potential intrusive magmatic targets (kimberlites)

Note: Hathi REE Target is shown at/near the W14RC045 intersection due to high REE anomalism likely to be associated with a kimberlite pipe.

The possible dyke feature lies east of a large magnetic feature that contain two discrete targets

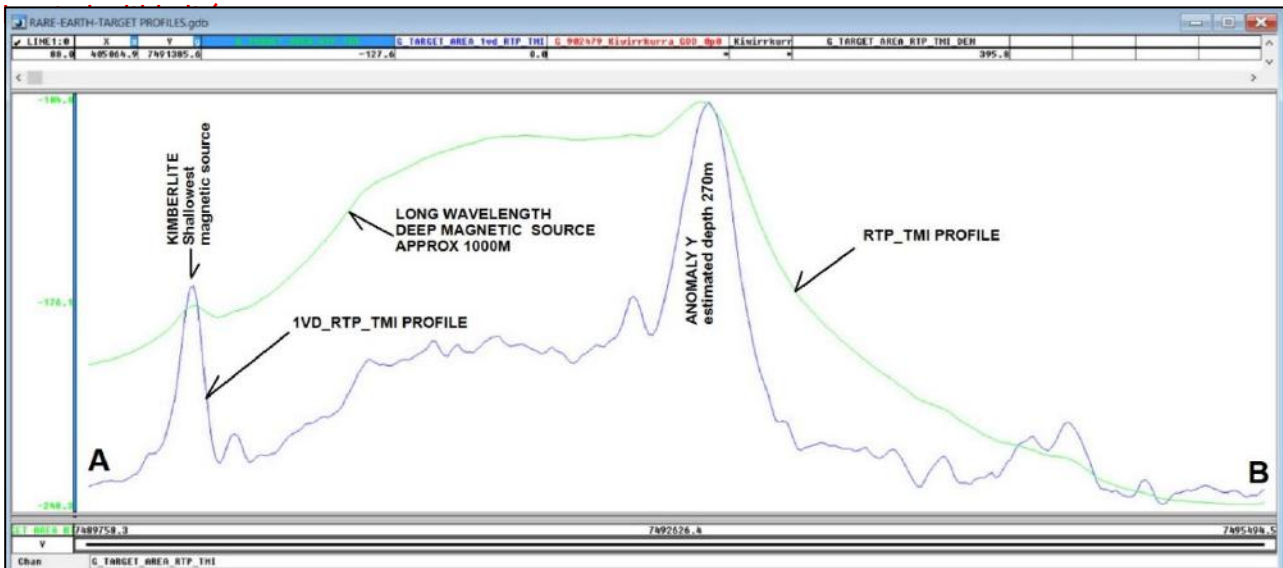


Figure 7.12 to Figure 7.14). The occurrence of a potentially large, buried carbonatite within a kimberlite field, cannot be ruled out. As with the WA and North China REE-rich kimberlites, the elevated lanthanide REEs in hole W14RC045 are unusually elevated for a kimberlite (Table 7.2), and as with the previous analogies cited, these results may indicate a new type of REE source, other than carbonatites, to be discovered in the West Arunta Orogen. Of particular economic interest are the elevated levels of the neodymium-praseodymium ("Nd/Pr") oxides, which are the part of the so-called "magnet metal" suite of REEs (i.e., MREO), and which command the highest return of all REE basket prices (Table 7.2)

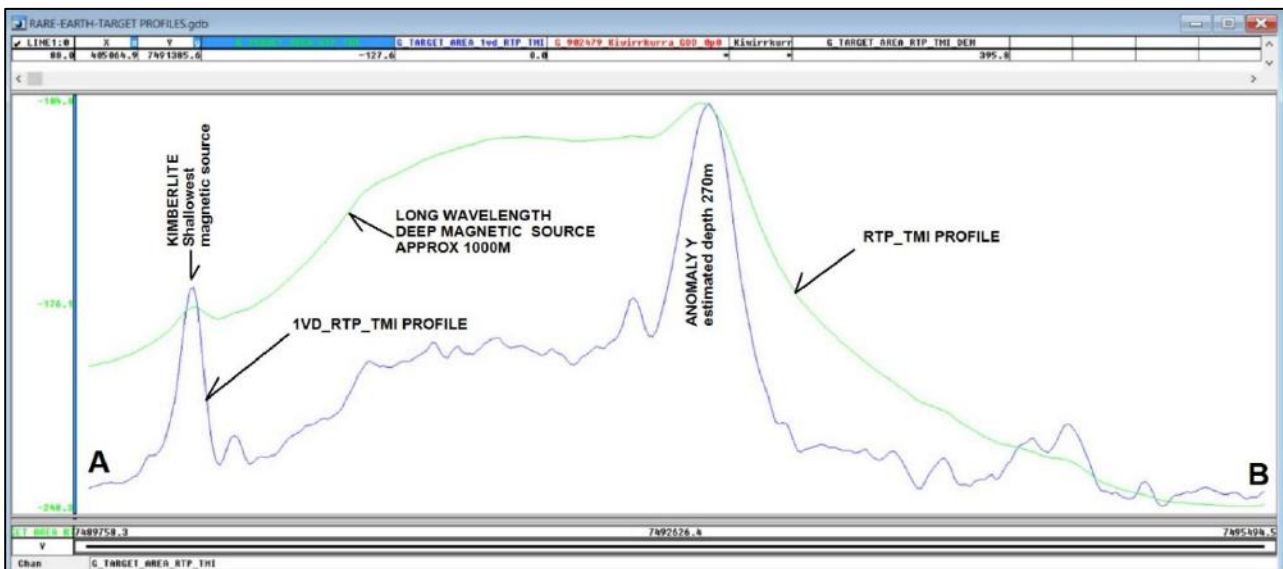


Figure 7.12: Section A-B from Figure 7.11 – the image shows two features, possibly kimberlite targets, located within the deep magnetic source

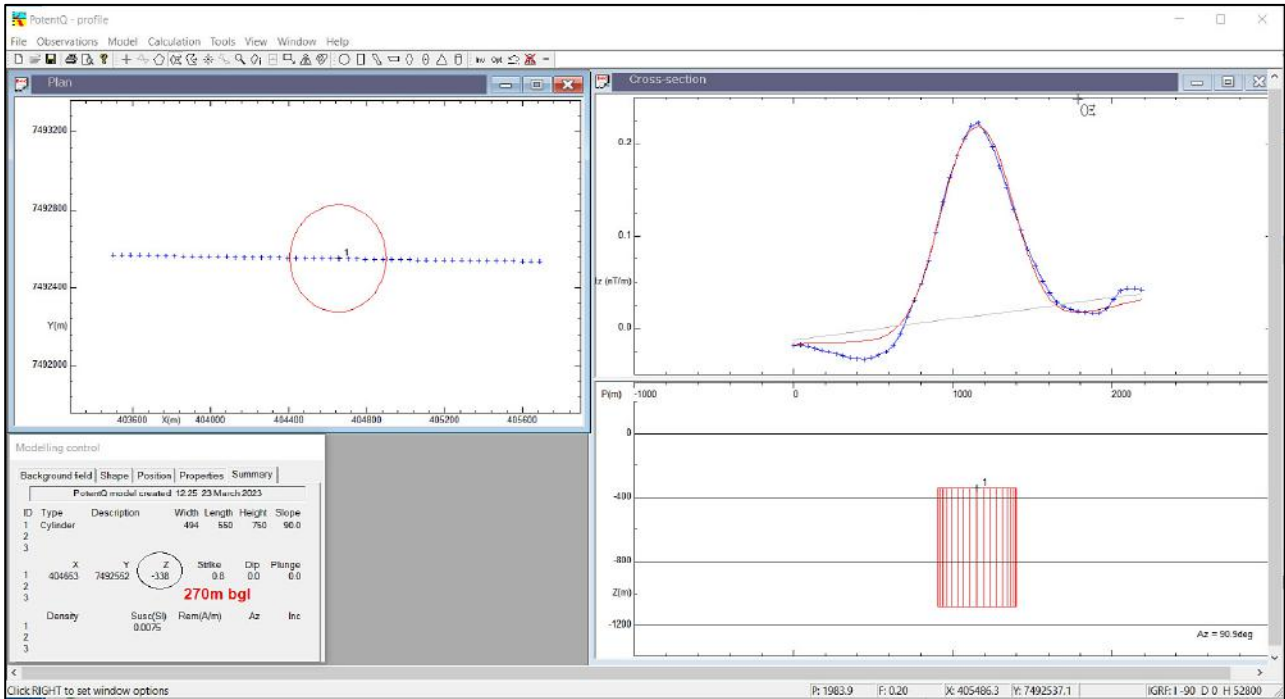


Figure 7.13: Anomaly X is on Figure 7.11 isa suspected kimberlite pipe

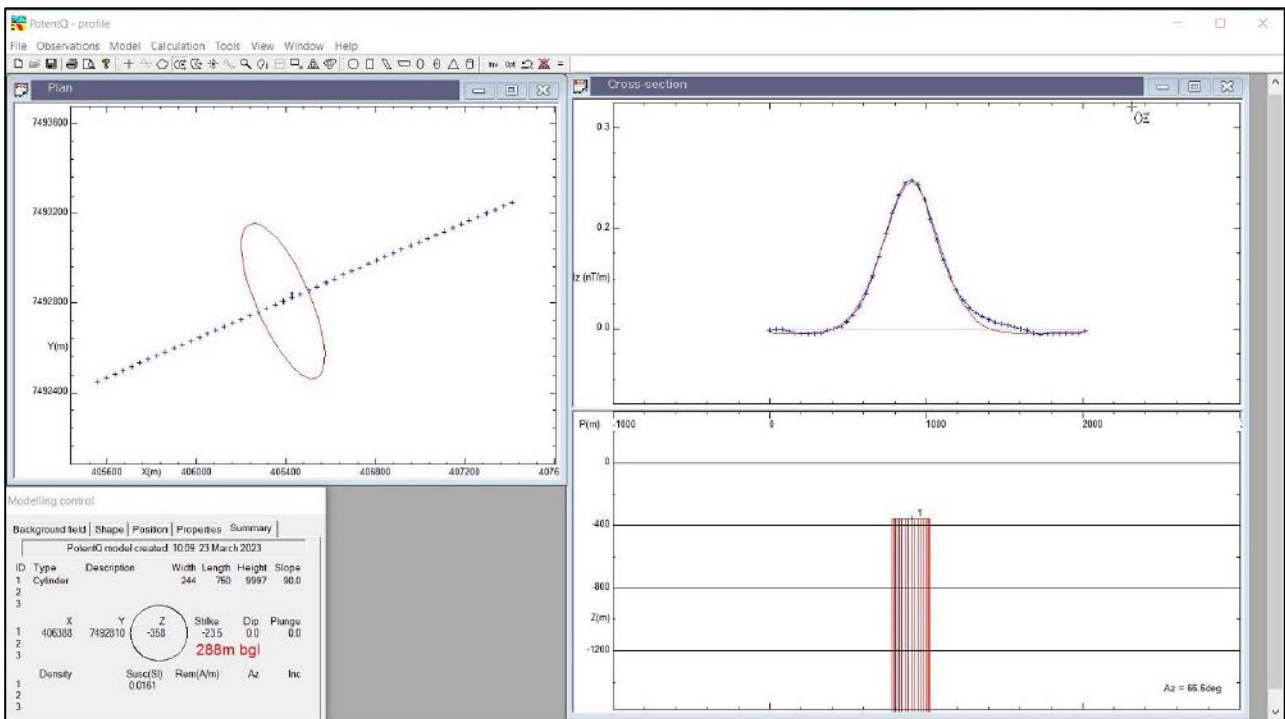


Figure 7.14: Anomaly Y on Figure 7.11 is also a suspected kimberlite pipe

Table 7.2: REE suite showing anomalous levels the lanthanide REE group (of note is elevated Nd+Pr oxide component from 90–100 m depth)

Hole ID	From (m)	To m (m)	Ce203		Dy203		Er203		Eu203		Gd203		Hf203		Ho203		La203		Lu203		Nd203		Pr203		Nd203+Pr203		Sm203		Tb203		Tm203		Y203		Yb203		Nb	TREO
			ppm	calc	ppm	calc	ppm	calc	ppm	calc	ppm	calc	ppm	calc	ppm	calc	ppm	calc	ppm	calc	ppm	calc	ppm	calc	ppm	calc	ppm	calc	ppm	calc	ppm	calc	ppm	calc	ppm	calc		
W14RC045	60	61	357.2	4.6	1.7	3.2	7.4	2.2	0.8	245.1	0.1	97.0	31.8	128.9	11.8	0.9	0.2	23.5	1.2	39	0.08																	
W14RC045	61	62	637.2	6.1	2.3	4.4	10.9	3.0	1.0	445.7	0.1	165.0	55.2	220.3	18.4	1.2	0.3	30.1	1.4	52	0.14																	
W14RC045	62	63	1051.8	13.8	5.4	8.8	21.3	5.5	2.2	724.8	0.4	291.6	94.3	385.9	34.7	2.5	0.6	61.1	3.5	127	0.23																	
W14RC045	63	64	1528.5	17.0	6.7	13.1	31.0	7.2	2.8	1064.9	0.5	430.4	139.3	569.7	52.5	3.5	0.8	81.7	4.2	151	0.34																	
W14RC045	65	66	1563.7	18.7	7.0	12.6	30.1	8.9	3.0	1035.6	0.6	428.1	139.9	567.9	52.1	3.6	0.8	82.2	4.9	214	0.34																	
W14RC045	67	68	994.4	13.0	4.7	9.5	22.3	6.2	2.2	673.2	0.4	295.1	92.2	387.3	37.8	2.7	0.6	67.6	3.9	124	0.22																	
W14RC045	69	70	1136.2	12.1	0.0	8.7	30.6	0.0	1.9	735.3	0.4	323.4	103.3	426.8	32.8	2.7	0.6	57.1	3.0	147	0.24																	
W14RC045	72	73	1145.5	13.3	5.4	10.0	22.9	5.9	2.2	747.1	0.5	331.3	105.8	437.1	39.5	2.7	0.6	63.2	3.4	156	0.25																	
W14RC045	73	74	1160.8	13.2	5.3	9.6	22.5	5.7	2.1	785.8	0.4	332.4	105.9	438.3	39.1	2.6	0.6	63.5	3.3	159	0.25																	
W14RC045	75	76	1072.9	10.6	4.1	8.8	20.7	4.9	1.7	754.1	0.3	299.8	96.4	396.2	34.9	2.4	0.5	53.1	2.6	118	0.24																	
W14RC045	77	78	1358.7	15.7	4.8	11.7	28.6	6.3	2.5	920.6	0.4	387.2	124.6	511.9	47.1	3.3	0.6	71.5	3.5	147	0.30																	
W14RC045	79	80	1366.9	13.8	0.0	11.7	38.0	0.0	2.1	977.5	0.3	390.9	125.3	516.2	44.1	3.5	0.5	59.7	2.9	122	0.30																	
W14RC045	81	82	1411.4	13.5	4.6	11.3	26.5	5.4	2.0	955.8	0.3	405.9	129.9	535.8	46.5	2.9	0.5	57.0	3.0	131	0.31																	
W14RC045	83	84	2061.5	18.4	6.3	15.6	35.4	5.6	2.9	1354.6	0.5	569.2	186.1	755.3	64.8	3.9	0.8	77.7	4.2	214	0.44																	
W14RC045	86	87	1739.4	15.4	6.4	13.1	29.6	6.4	2.3	1169.3	0.4	479.4	156.2	635.6	53.0	3.3	0.6	70.2	3.9	240	0.37																	
W14RC045	87	88	1505.1	13.1	4.8	11.1	25.1	6.4	2.2	1016.8	0.4	417.6	134.6	552.2	47.3	2.8	0.5	60.8	3.0	217	0.32																	
W14RC045	88	89	1745.2	16.0	5.3	13.0	31.0	6.6	2.4	1141.1	0.4	486.4	159.7	646.1	54.7	3.4	0.6	68.3	3.5	361	0.37																	
W14RC045	89	90	1541.4	14.4	0.0	12.1	42.6	0.0	2.2	1027.4	0.5	441.4	142.9	584.3	48.8	3.7	0.7	66.0	3.3	325	0.33																	
W14RC045	93	94	3361.6	27.5	9.8	24.0	53.7	6.0	4.5	2152.1	0.8	932.0	305.4	1237.4	101.3	5.7	1.1	116.4	6.5	357	0.71																	
W14RC045	95	96	3303.1	28.6	9.5	24.3	56.8	6.8	4.5	2087.6	0.8	918.0	299.6	1217.6	101.3	6.1	1.2	119.4	6.8	296	0.70																	
W14RC045	97	98	2930.6	26.7	0.0	22.2	68.4	0.0	4.2	1894.0	0.8	837.0	272.4	1109.4	91.9	6.5	1.1	114.3	6.3	350	0.63																	
W14RC045	98	99	1979.5	16.0	6.3	15.6	30.1	5.9	2.7	1125.9	0.4	590.2	183.7	773.9	57.3	3.4	0.7	78.1	3.6	184	0.37																	
W14RC045	99	100	3162.5	23.0	8.9	23.4	45.2	5.8	3.8	1747.5	0.7	952.9	300.8	1253.7	89.3	4.9	0.9	102.6	5.5	393	0.65																	

Source: CGN, 2023

7.5 Planned Exploration Methodologies

IOCG deposits are heterogenous in nature and display a deposit-scale and orebody-scale spatial association of copper-gold resources with iron-rich rocks (e.g. 15–60 wt% Fe), with iron hosted by low-titanium oxides (magnetite and/or hematite), and/or sulphides and/or other iron-rich minerals and so, iron-oxide/iron-sulphide ratios vary greatly between and within deposits (e.g. Skirrow et al., op. cit.). Any proposed holistic genetic and exploration model(s) for this group of IOCG and related deposits must account for all these variable (but key) features. Such variability in setting and mineralisation necessitates using exploration methodologies that are effective for such extremes of occurrence.

In general, IOCG mineralisation offers a good target for gravity, magnetic, and electrical methods where there are favourable physical property contrasts relative to the country rock. In this instance a combination of gravity-magnetic methodologies is warranted. CGN has stated it will be using project-wide geophysical data, gravity, and magnetics to target IOCG-style mineralisation at the district scale. IOCG deposits by nature of their high concentrations of magnetite or haematite are likely to be resolved in these data. Existing data have been used to define four high priority targets (Section 7.3). District-scale targeting will utilise:

- Detailed airborne magnetic survey collected in 2014 at 150 m line spacing
- Detailed AGG collected in 2022 at 200 m line spacing.

It is anticipated that targets generated by these methods will be followed up using higher-resolution ground-based gravity and induced polarisation surveys to refine the target geometry before testing by targeted drilling.

Any alteration or mineralised zones intersected during reconnaissance drilling will be characterised to provide vectors to the size and distribution of mineralisation and guide follow-up definition drilling.

The exploration for primary nickel targets will require the use of a multipronged approach of geophysical targeting and drilling. A mixture of magnetic, gravity and electrical methods of geophysical survey have proven effective for targeting nickel sulphides with follow-up drilling to test key targets.

MTGS is aware that targeting for diamondiferous kimberlites is well advanced from previous phases of exploration and that CGN has stated its intention to test, as a lower priority, the remaining high-quality kimberlite targets by further targeted drilling.

8 PROPOSED EXPLORATION PROGRAM AND BUDGET

CGN has developed an exploration budget and strategy based on the previous exploration and existing targets at its Webb Project.

The proposed IPO is expected to raise a minimum of \$8 million (before costs), to a maximum subscription of \$10 million (before costs). Of this, capital allocation for the Webb Project JV will absorb c. 55% of the raising, with an allocated budget of \$5,404,000 based on maximum subscription and c. \$4,564,000 based on minimum subscription. These amounts are inclusive of Year 1 and Year 2 programs of work.

The exploration program for the Webb property will include, amongst other activities, implementation of ground geophysical surveys over priority airborne magnetic targets, geochemical soil surveys, followed by a drilling program of remaining selected targets (Table 8.1). In MTGS's opinion, the proposed budget and work program is justifiable and commensurate to each respective capital raising scenario.

Table 8.1: Proposed exploration expenditure for the Webb JV tenements – Years 1 to 2

Webb tenements	\$8 million raising			\$10 million raising		
	Year 1	Year 2	Total	Year 1	Year 2	Total
Expert consultant advisors	\$50,000	\$30,000	\$80,000	\$50,000	\$30,000	\$80,000
Geological supervision	\$300,000	\$300,000	\$600,000	\$300,000	\$300,000	\$600,000
Geophysical consultants	\$50,000	\$50,000	\$100,000	\$50,000	\$50,000	\$100,000
Geophysical surveys (ground gravity, passive seismic and electromagnetics)	\$350,000	\$100,000	\$450,000	\$350,000	\$100,000	\$450,000
Diamond drilling	\$1,000,000	\$800,000	\$1,800,000	\$1,200,000	\$1,000,000	\$2,200,000
RC drilling	\$300,000	\$300,000	\$600,000	\$500,000	\$400,000	\$900,000
Field logistics	\$80,000	\$60,000	\$140,000	\$100,000	\$80,000	\$180,000
Laboratory costs	\$180,000	\$130,000	\$310,000	\$210,000	\$200,000	\$410,000
Heritage survey	\$50,000	\$50,000	\$100,000	\$50,000	\$50,000	\$100,000
Access/Heritage payments	\$65,000	\$65,000	\$130,000	\$65,000	\$65,000	\$130,000
Tenement rents/rates	\$96,000	\$108,000	\$204,000	\$96,000	\$108,000	\$204,000
Tenement administration	\$25,000	\$25,000	\$50,000	\$25,000	\$25,000	\$50,000
Totals	\$2,546,000	\$2,018,000	\$4,564,000	\$2,996,000	\$2,408,000	\$5,404,000

8.1 Proposed Work Program

8.1.1 Year 1

Exploration activities in Year 1 will comprise:

- Collection and interpretation of ground gravity data over high-priority IOCG and REE targets.
- Integrating magnetic, gravity geology and geochemistry datasets into a robust metallogenic model to refine the six priority targets ready for drilling.
- A first-pass 1,200 m diamond drilling comprising 600 m deep holes into the Tantor and Surus targets to enable initial assessment of the geology and alteration present at the target.
- Trial electromagnetic geophysical survey over the Shep project to refine drill targets.
- Compilation of all new datasets into the metallogenic model for planning of Year 2 programs.
- Undertake follow-up drilling at Surus and Tantor as required, and commence first-pass programs at Snorky, Horton and Shep. These will be a mix of RC and diamond core drilling.
- Ongoing stakeholder engagement with traditional owners and government.

8.1.2 Year 2

Exploration activities in Year 2 will be reflective of the success achieved in Year 1 and likely comprise:

- A drilling program to follow up on Year 1 successes. Year 2 drilling will utilise RC and diamond drilling techniques.
- Having defined and prioritised drill targets in Year 1, CGN will systematically drill-test targets in Year 2. Positive results will be followed up with further drilling.
- More detailed geophysics, geochemistry and characterisation studies as required to refine target models.
- Initial physical and metallurgical characterisation testwork of any mineralised samples.
- Minor RC drilling targeting diamonds in kimberlite
- Ongoing stakeholder engagement.

CGN has informed MTGS that all necessary legal and statutory approvals are in place to commence exploration.


9 CONCLUSIONS

It is the author's opinion that the IOCG, nickel, REE and diamond potential on the Webb Project tenements held by CGN and its JV partners, justifies their continued exploration. On the evidence provided, the potential to host one or more economic kimberlites that may also be enriched in REEs, as well as the potential to host an IOCG-style deposit, is well within expectations based on the evidence provided and the encouraging geochemical and drilling results from neighbouring explorers. Moreover, it is anticipated that the exploration budgets outlined by CGN for both its maximum and minimum subscriptions will cover the proposed work programs for the next two years.

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11 GLOSSARY OF TECHNICAL TERMS AND ABBREVIATIONS

Below are brief descriptions of some terms and abbreviations encountered in this report.

A

acid	pertaining to igneous rocks containing more than 60% silica
adamellite	a variety of granite containing a calcium-bearing plagioclase
aeolian	of or formed by the action of wind
aeromagnetic survey	a geophysical survey conducted from the air to record variations in the Earth's magnetic field (syn. aeromagnetometry, airborne magnetometry, airborne magnetic survey)
Ag	silver
AGG	airborne gravity gradiometer
aircore	a rotary drilling technique that uses compressed air to cut a core sample and return fragments to surface inside the drill rods
alluvium	a sediment deposited by water (adj. alluvial)
andesite	an extrusive rock intermediate in composition between acid and basic (adj. andesitic)
anomaly	a value or group of values higher or lower than expected often outlining a zone of potential exploration interest but not necessarily of commercial significance (syn. anomalism) (adj. anomalous)
anticline	a fold where the rock strata dip outwards away from the axis (adj. anticlinal) (ant. syncline)
Archaean	a division of geological time from the origin of the Earth to 2500 million years ago
Ashburton	Ashburn Minerals Ltd
ASX	Australian Securities Exchange
Au	gold
Aurora	Aurora Gold Ltd

B

basalt	a fine-grained volcanic rock composed primarily of plagioclase feldspar and mafic minerals (adj. basaltic)
basement	a much older harder rock surface underlying more recent deposits
basement high	an old topographically elevated area of the basement surface
basic	pertaining to igneous rocks containing between 45% and 52% silica
basin	a low area of the Earth's crust in which sediments accumulate (adj. basinal)
bedding	the general arrangement and types of beds in a stratigraphic sequence (adj. bedded) (syn. stratigraphy)
bedrock	any solid rock underlying unconsolidated material
Bestgold	Bestgold Investments Pty Ltd
BHP	BHP Billiton Minerals Pty Ltd
BHPM	BHP Minerals Pty Ltd
breccia	a coarse-grained rock of angular broken rock fragments cemented together (adj. brecciated)
bulk sample	a large sample taken from a deposit usually for metallurgical purposes

C

c.	circa
Cambrian	a division of geological time from 580 to 500 million years ago
carat	one fifth (0.2) of a gram
carbonate	a mineral or compound containing the carbonate radical CO ₃ –

CAS	Central Australian Suture
catchment	an area that collects and drains rainwater
Ce	cerium
CGN	CGN Resources Limited
chrome spinel	a chromium-bearing variety of spinel used as a pathfinder mineral in diamond exploration
chromite	an iron magnesium chromium aluminium oxide mineral (Fe, Mg) (Cr,Al) ₂ O ₄
clast	a fragment produced by physical weathering adj. clastic
clay	particles of less than 0.0039 millimetres often but not always composed of clay minerals (adj. clayey)
clay mineral	a member of a large group of essentially aluminium silicate minerals with micro crystalline, colloidal, or amorphous structure
cm	centimetre(s)
Co	cobalt
colluvium	alluvium transported only a short distance before deposition (adj. colluvial)
core	a continuous cylindrical sample
core drilling	a rotary drilling technique whereby a continuous cylindrical sample is produced
country rock	the rock enclosing a mineral deposit or an igneous intrusive
cph	carats per hundred tonnes, a measure of concentration for diamond deposits
CRAE	CRA Exploration Pty Ltd
Cretaceous	a division of geological time from 135 to 65 million years ago
crop out	applied to rocks that are exposed at the Earth's surface noun outcrop
crust	the outermost part of the earth (adj. crustal)
Cu	copper
cut	pertaining to a gem that has been faceted or fashioned ant. uncut
D	
deformation	the folding and faulting that results from the application of Earth forces (adj. deformed)
density	the mass per unit volume of a substance
deposit	a natural accumulation of material
deposition	the processes that result in the formation of deposits (adj. depositional)
detritus	material derived from the mechanical disintegration of a parent rock (adj. detrital)
diamond core drilling	a rotary drilling technique using diamond set or impregnated bits whereby a continuous cylindrical sample is produced
diamoniferous	containing diamond
diamond inclusion field	pertaining to minerals with compositions similar to mineral inclusions in diamonds
diatreme	a breccia filled volcanic pipe
diopside	a type of clinopyroxene with a low aluminium content
dip	the angle that an inclined sedimentary layer, fault or other planar surface makes with the horizontal (adj. dipping)
dissected	pertaining to a peneplain where erosion has recommenced
disseminated	where one material is distributed through the mass of another material
dolerite	a medium grained intrusive rock mainly composed of feldspar and pyroxene (adj. doleritic)
dolomite	a mineral composed of calcium, magnesium, carbon and oxygen CaMg (CO ₃) ₂ and the rock that is composed predominantly of the mineral dolomite (adj. dolomitic)
dome	an approximately circular anticlinal structure where strata dip downwards (adj. domal)
down-warp	a regional area of the Earth's crust that has subsided
drainage	a collective term for the rivers, streams, lakes etc by which an area is drained of rainwater

drill	to produce a hole by rotary or percussive action adj. drill, drilling
drill string	the rods, bit, core barrel and other component parts with which a hole is drilled
dyke	a tabular intrusive body of igneous rock that cuts across the layers it intrudes
E	
electromagnetic survey	a geophysical method of measuring the alternating magnetic fields associated with electrical currents artificially or naturally maintained in the subsurface
Encounter	Encounter Resources Ltd
erosion	the wearing away of the Earth's crust by physical and chemical means (adj. eroded, eroding, erosional)
escarpment	a long cliff or steep slope separating two areas of different elevations
Exploration Licence	a type of mineral tenement
extensional fault	a fault giving rise to tectonic elongation and thinning of strata
extrusive	a molten rock that has been erupted on to the Earth's surface (syn. lava)
F	
fault	a fracture in rocks on which there has been movement on one of the sides relative to the other and parallel to the fracture (adj. faulted) (syn. dislocation)
faulting	the general style and arrangement of faults in an area
Fe	iron
ferruginous	containing iron
fissure	a fracture in rock with a distinct separation often filled with other material
fluvial	of or found in rivers (adj. fluvial)
fold	a bend in a planar feature such as bedding usually resulting from deformation (adj. folded)
fold axis	the plane around which a fold is wrapped
folding	the general style and arrangement of folds in an area
foliation	the planar arrangement of features in a rock (adj. foliated)
fracture	a break resulting during deformation
G	
g	gram(s)
g/t	grams per tonne
Ga	billion years before the present
gabbro	a coarse grained, basic igneous rock consisting of plagioclase, pyroxene, and olivine
garnet	a group of silicate minerals containing some of calcium, magnesium, iron, manganese, aluminium, vanadium, and chromium
gD	Bouguer anomaly equivalent in airborne gravity data
geochemistry	the study of the variation of chemical elements in rocks or soils (adj. geochemical) (adv. geochemically)
geomorphology	the study of the configuration of the Earth's surface (adj. geomorphological) (syn. physiography)
geophysics	the study of the Earth by quantitative physical methods (adj. geophysical) (adv. geophysically)
geosyncline	a large linear trough on the earth's surface in which sediments or volcanic rocks are deposited
gneiss	a regionally metamorphosed foliated rock with alternating bands of granular and elongated minerals
GPR	ground-penetrating radar
GPS	global positioning system

granite	a coarse-grained igneous rock consisting essentially of quartz and more alkali feldspar than plagioclase (adj. granitic)
granitoid	an intrusive of generally granitic affinities
granophyre	a microgranite which displays small scale, graphic texture
gravel	unconsolidated sediment formed by fragments greater than 2.0 mm in diameter (adj. gravelly)
gravity survey	a geophysical survey technique using a gravimeter to measure the force of gravity at locations within an area
GSWA	Geological Survey of Western Australia
H	
heavy mineral	those minerals having a relative density greater than around 2.9
host rock	a rock that contains mineralisation
hydrothermal	of or pertaining to hot water
I	
igneous	pertaining to rocks formed by crystallisation from molten material
IGO	IGO Limited
ilmenite	oxide of iron and titanium FeTiO ₃
indicator minerals	those minerals that indicate the possible presence of kimberlite or lamproite
induration	the hardening of a rock by geological processes (adj. indurated)
Inferred Resource	the least assured category of resource
intrusion	a body of igneous rock that was intruded whilst molten into the Earth's crust (syn. intrusive)
IOCG	iron oxide copper-gold
IPO	initial public offering
ISCG	iron sulphide copper-gold
J	
JORC Code	Joint Ore Reserves Committee Code, the Australasian Code for the Reporting of Mineral Resources and Ore Reserves
JV	joint venture
K	
kg	kilogram(s)
KIM	kimberlite indicator mineral
kimberlite	a porphyritic peridotite containing olivine and phlogopite phenocrysts, one of the source rocks for diamond (adj. kimberlitic)
km; km ²	kilometre(s); square kilometre(s)
L	
La	lanthanum
lamproite	an extrusive or intrusive rock high in potassium and magnesium, one of the source rocks for diamond (adj. lamproitic)
linear	any elongated feature on an image from aerial photography, geophysical survey, Landsat etc. (syn. lineament)
lithology	the physical characteristics of a rock adj. lithological (adv. lithologically)
loam	soil or other surficial material
Loza	Loza Radar Australia
LREE	light rare earth element(s)

M

m	metre(s)
Ma	million years
macrodiamond	a diamond weighing more than 0.001 carats
mafic	pertaining to dark coloured silicate minerals that are rich in iron and magnesium and the igneous rocks in which these minerals are abundant
magma	molten rock (adj. magmatic)
magnetic survey	a geophysical survey made to record variations in the Earth's magnetic field (syn. magnetometry)
magnetite	an iron ore mineral, Fe ₃ O ₄
mesa	an isolated flat topped steep sided hill
mesh	the size of the openings in a sieve either expressed as apertures per inch or in metric measurement
Mesozoic	a division of geological time from 225 to 65 million years ago
metamorphism	the mineralogical, structural, and chemical changes induced within solid rocks through the actions of heat, pressure, or the introduction of new chemicals (adj. metamorphic, metamorphosed)
Meteoric	Meteoric Resources NL
mica	a member of a group of silicate minerals that easily split into sheets (adj. micaceous)
micro	a prefix meaning small syn. mini
microdiamond	a diamond weighing less than 0.001 carats
mineral	a naturally occurring chemical compound that is a constituent of a rock or sediment
mineralisation	in economic geology the introduction of valuable elements into a rock body or the result of such introduction (adj. mineralised)
mineralogy	the study of minerals (adj. mineralogical)
Mining Lease	a type of mineral tenement
Mn	manganese
mm	millimetre(s)
Mt	million tonnes
MTGS	Midas Touch Geological Services
mudstone	an indurated mud
muscovite	a generally colourless mica mineral

N

Nd/Pr	neodymium-praseodymium
NeoProterozoic	last era of the Proterozoic geological period
Ni	nickel

O

olivine	an olive green to brown mafic silicate mineral
Ordovician	a division of geological time from 500 to 440 million years ago
outcrop	the surface expression of a rock layer (syn. exposure)

P

palaeo	a prefix relating to a past, ancient or fossil feature
palaeoalluvials	ancient or fossil river alluvials
palaeochannels	ancient or fossil river channels
Palaeozoic	a division of geological time from 590 to 248 million years ago
pebble	an informal term pertaining to a relatively coarse phosphate concentrate

peridotite	a coarse-grained igneous rock composed chiefly of olivine
Permian	a division of geological time from 280 to 225 million years ago
phlogopite	a magnesium rich mica mineral
physiography	study of the configuration of the Earth's surface adj. physiographic (syn. geomorphology)
picroilmenite	magnesium-rich ilmenite
pipe	a vertical conduit in the earth usually associated with a volcano
placer	a mineral deposit formed by physical concentration processes
planation	the erosional processes whereby a flat surface is produced over an area of the Earth
plateau	a relatively flat extensive area of the Earth's surface at a higher elevation than the surrounding country
platform	that part of a continent covered by flat lying mainly sedimentary rocks
porphyry	an igneous rock with a comparatively fine-grained matrix and scattered coarse mineral crystals (adj. porphyritic)
ppm	parts per million
prefeasibility study	a preliminary study carried out as a precursor to a feasibility study
prospectivity	the degree to which an area is judged to have the potential to contain a mineral deposit (adj. prospective)
Proterozoic	a division of geological time from 2400 to 570 million years ago
pyrope	a dark red garnet mineral $(Mg,Fe)_3Al_2(SiO_4)_3$
pyroxene	a dark rock forming silicate mineral

Q

quartz	a very common mineral composed of silicon and oxygen SiO_2
Quaternary	a time period from 1.8 million years ago to the present

R

RC	reverse circulation, a rotary percussion drilling technique in which the samples are returned to the surface inside the drill rods minimising contamination
redox	oxidation-reduction
Recent	a division of geological time from 10,000 years ago to the present (syn. Holocene)
REE	rare earth element(s)
regolith	the loose, incoherent mantle of rock fragments, soil, sand, and alluvium which rests upon bedrock
REO	rare earth oxide(s)
resource	quantitative estimate of material in a mineral deposit that is potentially exploitable at a profit
Rincon	Rincon Resources Ltd
RTP	reduced to pole

S

S	sulphur
sample	collected material that is intended to be representative of a larger body of material
sampling	the processes by which samples are obtained
sand	unconsolidated sediment formed by fragments between 0.06 mm and 2.0 mm in diameter (adj. sandy)
sandstone	a sedimentary rock usually composed essentially of sand sized grains
scrub	a process involving vigorous agitation in water (adj. scrubbing) (syn. wash)
scrubber	a mineral processing device using agitation to disaggregate loose materials
sediment	solid material whether mineral or organic that has been moved from its position of origin and redeposited (adj. sedimentary)

seif dune	longitudinal dune
shale	a laminated sedimentary rock in which most particles are clay size (adj. shaley)
silica	silicon dioxide SiO ₂ (adj. siliceous)
silicification	the introduction of silica into a rock (adj. silicified)
sill	a tabular intrusive body of igneous rock that is conformable with the layers it intrudes
silt	unconsolidated sediment formed by fragments between 0.0039 mm and 0.06 mm in diameter (adj. silty)
siltstone	a sedimentary rock usually composed essentially of silt sized grains
soil	the variegated unconsolidated material that overlies bedrock syn. regolith
spinel	a magnesium aluminium oxide mineral MgAl ₂ O ₄
stratigraphy	the general arrangement and types of beds in a sedimentary sequence (adj. stratigraphic, stratified) (syn. bedding)
stream sediment survey	a geochemical exploration technique where stream sediments are the sampling medium (syn. stream sediment geochemistry)
strike	the direction of a horizontal line in the plane of an inclined sedimentary layer, fault or other planar surface perpendicular to the direction of dip (adj. striking)
strike slip fault	a fault with movement parallel to the strike of the fault
structure	the general arrangement of rock masses in an area resulting from folding, faulting etc. (adj. structural) (adv. structurally)
sub-crop	the near surface presence of a concealed rock layer (adj. sub-cropping)
syncline	a fold where the rock strata dip inwards towards the axis (adj. synclinal) (ant. anticline)

T

tailings	the discarded portion of processed ore that is not of commercial value
Tali	Tali Resources Pty Ltd
Tertiary	a division of geological time from 65 to 1.8 million years ago
testwork	studies or work to determine certain parameters
Ti	titanium
TMI	total magnetic intensity
transform fault	a strike slip fault where the displacement changes along the fault
trap site	that portion of a alluvial drainage where heavy minerals preferentially accumulate
trench	an elongated pit
trenching	the process of making a trench
TREO	total rare earth oxide(s)
trial mining	small scale mining carried out as a precursor to possible full-scale mining

U

U ₃ O ₈	triuranium octoxide, a compound of uranium
ultramafic	pertaining to the igneous rocks in which mafic minerals predominate

V

vein	a tabular or sheet like mineral filled fracture (adj. veined collect, veining)
veinlet	a narrow vein
volcanic	pertaining to a rock originating from the activities of volcanoes
volcaniclastic	pertaining to a clastic rock with a high proportion of volcanic derived material
volcano	a vent where magma reaches the Earth's surface
VTEM	versatile time domain electromagnetic

W

WA Western Australia

WA1 WA1 Resources Ltd

weathering a process of change to rocks brought about by their exposure to oxygen and water (adj. weathered)

wt% weight percent

X

xenolith A rock fragment which becomes enveloped in a larger rock during the latter's development and hardening

Z

zircon A zirconium silicate mineral $ZrSiO_4$

12 JORC CODE, 2012 EDITION, TABLE 1

12.1 Section 1 – Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<p><i>Nature and quality of sampling (e.g., cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></p> <p><i>In cases where 'industry standard' work has been done this would be relatively simple (e.g., 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g., submarine nodules) may warrant disclosure of detailed information.</i></p>	<p>Variously composited drill chip samples were taken from those drillholes that intersected the weathered volcanic intrusions. These samples were not sieved and varied in weight from 15 kg to 200 kg. The sampling was aimed at recovering both kimberlite indicator minerals and microdiamonds.</p> <p>Small samples were taken for geochemical analysis from drill chips representing both the weathered volcanic and the overlying sedimentary sequences. These samples were taken as deemed appropriate to aide in determining the geological boundaries of the volcanic intrusive.</p> <p>Small drill chip samples were collected for Petrological examination aimed at classifying the volcanic rocks. A total 16 samples were collected.</p> <p>Surface lag/loam samples were collected within the tenements at an average density of one sample per 2 km² and one sample per 1.2 km² in the northern part of the tenement area. The samples comprised surface scrapings to a depth of 5 mm which were sieved in the field at -1 mm. Samples were collected from low lying inter-dune areas with initial samples having an average weight of 72 kg within a range of 67–79 kg and later samples having an average weight of 110 kg within a range of 100–120 kg. This sampling technique is aimed at recovering heavy minerals which concentrate on land surfaces because of deflationary processes. The heavy minerals will be derived from all the weathering rock types; however, in this instance the targeted heavy minerals are the kimberlite indicator minerals including chromite and microdiamonds.</p>
Drilling techniques	<p><i>Drill type (e.g., core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i></p>	<p>The drilling technique used was RC with a diameter of 110 mm, and aircore with a diameter of 90 mm.</p> <p>A full list of drillholes is available in Appendix 1.</p>
Drill sample recovery	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	<p>The drilling was reconnaissance in nature, primarily aimed at identifying rock type, and providing drill chip samples for heavy mineral recovery and geochemical analysis. Samples were captured at 1 m intervals with the use of a cyclone and sample bucket. Drill chips were collected at consecutive 1 m intervals from the drill and laid out on the ground for subsequent logging and sampling. Samples for analysis were composited from the 1 m interval samples for selected intervals of the</p>

Criteria	JORC Code explanation	Commentary
		drillhole based on geological logging of the rock type.
Logging	<p><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	<p>All chip holes were geologically logged from 1 m samples and subsamples were stored in plastic sample boxes.</p> <p>None of the drillholes have been geophysically logged or surveyed for orientation.</p> <p>All drillholes are vertical.</p> <p>Drill chips from the entire depth of each hole were logged.</p>
Subsampling techniques and sample preparation	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all subsampling stages to maximise representivity of samples.</i></p> <p><i>Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<p>In those drillholes where kimberlite was identified, composited 1 m interval samples were collected. Individual samples varied in weight from 15 kg to 200 kg.</p> <p>All drill chip samples were double bagged on site and transported to the Diamond Recovery Services Laboratory in Perth for processing.</p> <p>Samples were washed and screened to minus 1 mm, then tabled to produce a heavy mineral concentrate. Heavy liquid separation techniques are then used to upgrade the heavy mineral suite. The -1 mm to 0.3 mm fraction is visually observed to recover kimberlite indicator minerals. The minus 1 mm fraction is then tabled to produce a heavy mineral concentrate. Heavy liquid separation techniques are then used to upgrade the heavy mineral suite.</p> <p>All loam samples were double bagged on site and transported to the Diamond Recovery Services Laboratory for processing.</p> <p>Samples were washed and screened to minus 1 mm, then tabled to produce a heavy mineral concentrate. Heavy liquid separation techniques are then used to upgrade the heavy mineral suite. The -1 mm to 0.3 mm fraction is visually observed to recover kimberlite indicator minerals. The minus 1mm is then tabled to produce a heavy mineral concentrate. Heavy liquid separation techniques are then used to upgrade the heavy mineral suite.</p>
Quality of assay data and laboratory tests	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <p><i>Nature of quality control procedures adopted (e.g., standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy</i></p>	<p>The processing of drill chips for the recovery of heavy minerals including microdiamonds is undertaken by processing the -1 mm fraction of the samples. Any +1 mm material, particularly from the drill chips is kept for potential additional processing.</p> <p>As the heavy mineral processing is not quantitative in nature, there is no requirement for standards and blanks. However, there are quality control protocols in place to reduce the risk of sample contamination.</p>

Criteria	JORC Code explanation	Commentary
	<p><i>(i.e., lack of bias) and precision have been established.</i></p>	<p>Samples for petrological examination were selected based on the freshness of the drill chips. Samples were not selected from all drillholes.</p> <p>Samples were selected for geochemical analyses from varying intervals from all the drillholes. The samples were analysed by Minanalytical Laboratory Services Australia, located in Perth using FS30, optical emission spectrometry and mass spectrometry analytical techniques. The analyses included the routine analysis of laboratory standards and repeat samples.</p> <p>The processing of loam samples for the recovery of heavy minerals including microdiamonds is undertaken by processing the -1 mm fraction of the samples. Any +1 mm material, particularly from the drill chips is kept for potential additional processing.</p> <p>At this stage of the exploration, the loam sampling is being done to determine the surface incidence and distribution of microdiamonds and other KIMs.</p> <p>As these analyses are not quantitative in nature, there is no requirement for standards and blanks. However, there are quality control protocols in place to reduce the risk of sample contamination.</p>
<p>Verification of sampling and assaying</p>	<p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes.</i></p> <p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p> <p><i>Discuss any adjustment to assay data.</i></p>	<p>At this stage of the exploration, the sampling of drill chips is being done to determine whether the kimberlite pipes are diamondiferous, and to provide diamond indicator minerals for microprobe analysis.</p> <p>As more than one sample is taken from each drillhole, this is considered adequate to provide confirmation of sample results at this early stage of the exploration.</p> <p>Should significant results be reported from any of the samples then verification procedures would be employed, to ensure the validity of the results.</p>
<p>Location of data points</p>	<p><i>Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></p> <p><i>Specification of the grid system used.</i></p> <p><i>Quality and adequacy of topographic control.</i></p>	<p>As this is a preliminary exploration phase, survey of all boreholes and loam samples for the exploration programs was completed by using handheld global positioning system (GPS) equipment.</p> <p>All sites have been clearly identified for subsequent survey work to ensure accurate survey control for any project areas.</p> <p>Datum GDA 94 and projection MGAZ52 was used.</p> <p>As this is an early stage of exploration the topographic surface was also captured by GPS.</p>
<p>Data spacing and distribution</p>	<p><i>Data spacing for reporting of Exploration Results.</i></p>	<p>No resources have been reported from these exploration data as diamonds have not reported to the kimberlite samples tested to date.</p>

Criteria	JORC Code explanation	Commentary
	<p><i>Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p> <p><i>Whether sample compositing has been applied.</i></p>	<p>The sampling being undertaken is qualitative in nature and would not be appropriate for any estimate of diamond grade, should diamonds be identified in any of the kimberlite bodies being tested.</p> <p>Compositing of drill chip samples within individual drillholes was routinely done to ensure sufficient sample material was collected for the recovery of microdiamonds. This is appropriate as at this stage of the exploration the sampling is being done to determine whether the kimberlite pipes are diamondiferous or not, and to provide diamond indicator minerals for microprobe analysis.</p> <p>The loam samples were collected on a non-specific grid with a spacing of approximately one sample per 2 km² and reducing to one sample per 1.2 km² in the northern part of the tenement area.</p> <p>Sample compositing between loam samples sites was not done.</p>
Orientation of data in relation to geological structure	<p><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></p> <p><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></p>	<p>The kimberlite pipes have been identified by the testing of magnetic anomalies by way of a single centrally located drillhole.</p> <p>Because kimberlite pipes normally occur as vertically plunging volcanic bodies, the testing of drill chips obtained from the central portion of the pipes is appropriate at this stage of the exploration where testing for microdiamonds and confirmatory kimberlite indicator minerals is being undertaken.</p> <p>All loam samples were collected at surface without regard to underlying geology.</p>
Sample security	<p><i>The measures taken to ensure sample security.</i></p>	<p>Sample security was ensured under a chain of custody between onsite personnel and the relevant laboratories being utilised.</p>
Audits or reviews	<p><i>The results of any audits or reviews of sampling techniques and data.</i></p>	<p>Sampling was undertaken by trained personnel using industry standard procedures.</p> <p>The reconnaissance nature of the sampling did not warrant routine audit sampling of the drill samples.</p> <p>The reconnaissance nature of the sampling did not warrant routine audit sampling of the lag/loam spoil samples.</p> <p>Minanalytical Laboratories undertook internal audits and checks in line with the Australian standards and their NATA certification.</p>

12.2 Section 2 – Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<p><i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></p> <p><i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></p>	<p>Exploration took place on granted tenements E80/5496, E80/44407, E80/5499, E80/4815, E80/5471 and E80/5573 which are subject to Exploration and Land Access Agreements with the Tjumu Tjumu Aboriginal Corporation. E80/5496, E80/5956, E80/5499, E80/4815, E80/5471 and E80/5573 are held by Meteoric. CGN has earned an 86% interest in Meteoric's tenements and a 86% interest in Meteoric's rights on E80/4506. Heritage clearance surveys have been completed.</p> <p>Exploration took place on granted tenements with no known impediments to obtaining a licence to operate in the area.</p>
Exploration done by other parties	<p><i>Acknowledgment and appraisal of exploration by other parties.</i></p>	<p>There has been no prior on-ground exploration for diamond-bearing kimberlite pipes in the tenement area.</p>
Geology	<p><i>Deposit type, geological setting, and style of mineralisation.</i></p>	<p>The exploration project area is located in the Lake Mackay region of the Gibson Desert which is within the southern portion of the Webb 1:250,000 geological map.</p> <p>The stratigraphy of the project area is not well constrained due to paucity of data (drillhole and outcrop) but is thought to comprise recent fluvial, alluvial and aeolian deposits and a poorly developed surficial soil. These sediments are composed of sand, silt, and clay. Areas to the east, west and south of the project tenements are mapped as being underlain by up to 1,000 m of the Proterozoic aged Heavitree Quartzite which in turn is overlain by limestone and dolomite of the Bitter Springs Formation and then by Neoproterozoic aged fluvial and deltaic sandstones, siltstones and mudstones known as the Angas Hills Formation. These sequences are interpreted to overlay Archaean aged basement rocks of the Arunta Complex.</p> <p>The kimberlite pipes intrude the Proterozoic aged sediments and are overlain by the Angas Hills Formation. The kimberlite bodies are discrete volcanic intrusions which occur within a cluster over an area of some 400 km².</p>
Drillhole information	<p><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:</i></p> <ul style="list-style-type: none"> • <i>easting and northing of the drillhole collar</i> • <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar</i> • <i>dip and azimuth of the hole</i> • <i>downhole length and interception depth</i> • <i>hole length.</i> 	<p>A list of the drillholes completed along with associated data is provided in Appendix 1.</p>

Criteria	JORC Code explanation	Commentary
	<i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i>	
Data aggregation methods	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g., cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	Averaging techniques are not applicable to the current exploration results.
Relationship between mineralisation widths and intercept lengths	<i>These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported. If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g., 'downhole length, true width not known').</i>	As the kimberlite intrusions were identified from a centrally located drillhole, the areal extent and geometry of the pipes has not been determined other than by interpretation of the associated aeromagnetic data.
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.</i>	Refer to the text.
Balanced reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	The drilling targeted discrete "bulls-eye" aeromagnetic anomalies, interpreted from geophysical surveys. In most cases this approach has proved useful in identifying the kimberlite intrusions but in a few cases more detailed geology interpretation is required. This is a very early-stage exploration program.
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	A regional 400 m line spaced aeromagnetic survey flown by the GSWA. It was this data that highlighted the presence of "bulls-eye" magnetic anomalies which were interpreted to be intrusive bodies, possibly kimberlites. A detailed 150 m line spaced aeromagnetic survey over a 65 km ² area was flown for Meteoric in 2010. The data was interpreted by Southern Geoscience Consultants. This smaller survey provided more detailed magnetic data and allowed modelling of many of the "bulls-eye" magnetic targets. A follow up 100 m spaced aeromagnetic survey of 11,800 line-km was flown for CGN in 2014. The data

Criteria	JORC Code explanation	Commentary
		<p>was interpreted by R.K. Jones and identified more than 280 kimberlite targets.</p> <p>A limited trial VTEM survey comprising 174.3 line-km was flown in selected areas of the project area. This survey was aimed at highlighting discrete conductive bodies that may not have an associated magnetic response.</p> <p>In 2022, an airborne Falcon gravity gradiometry survey was flown to cover the central third of the project area; 200 m spaced east-west flight lines were used for the survey with 2 km north-south tie lines.</p> <p>Townend Mineralogy Laboratory described a total 16 drill chip samples in 2013 (one), 2014 (two) and 2015 (13).</p>
Further work	<i>The nature and scale of planned further work (e.g., tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	Drill testing of untested magnetic anomalies will continue aimed at confirming the presence of kimberlite and providing material to test for the presence of diamonds.

12.3 Section 5 – Estimation and Reporting of Diamonds and Other Gemstones

Criteria	JORC Code explanation	Commentary
Indicator minerals	<i>Reports of indicator minerals, such as chemically/physically distinctive garnet, ilmenite, chrome spinel and chrome diopside, should be prepared by a suitably qualified laboratory.</i>	Indicator minerals including microdiamonds have been identified and described by Global Diamond Exploration Services Pty Ltd.
Source of diamonds	<i>Details of the form, shape, size and colour of the diamonds and the nature of the source of diamonds (primary or secondary) including the rock type and geological environment.</i>	No commercially sized diamonds have been recovered from any of the exploration samples.
Sample collection	<i>Type of sample, whether outcrop, boulders, drill core, reverse circulation drill cuttings, gravel, stream sediment or soil, and purpose (e.g., large diameter drilling to establish stones per unit of volume or bulk samples to establish stone size distribution).</i> <i>Sample size, distribution and representivity.</i>	No samples have been collected to specifically test for commercial diamond grade.
Sample treatment	<i>Type of facility, treatment rate, and accreditation.</i> <i>Sample size reduction. Bottom screen size, top screen size and re-crush.</i> <i>Processes (dense media separation, grease, x-ray, hand-sorting, etc).</i> <i>Process efficiency, tailings auditing and granulometry.</i> <i>Laboratory used, type of process for micro diamonds and accreditation.</i>	No samples have been processed specifically for the recovery of commercially sized diamonds.
Carat	<i>One fifth (0.2) of a gram (often defined as a metric carat or MC).</i>	No commercially sized diamonds have been recovered from any of the exploration samples.

Criteria	JORC Code explanation	Commentary
Sample grade	<p><i>Sample grade in this section of Table 1 is used in the context of carats per units of mass, area, or volume.</i></p> <p><i>The sample grade above the specified lower cut-off sieve size should be reported as carats per dry metric tonne and/or carats per 100 dry metric tonnes. For alluvial deposits, sample grades quoted in carats per square metre or carats per cubic metre are acceptable if accompanied by a volume to weight basis for calculation.</i></p> <p><i>In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive sample grade (carats per tonne).</i></p>	<p>No commercially sized diamonds have been recovered from any of the exploration samples.</p> <p>No samples have been collected to specifically test for commercial diamond grade.</p>
Reporting of Exploration Results	<p><i>Complete set of sieve data using a standard progression of sieve sizes per facies. Bulk sampling results, global sample grade per facies. Spatial structure analysis and grade distribution. Stone size and number distribution. Sample head feed and tailings particle granulometry.</i></p> <p><i>Sample density determination.</i></p> <p><i>Per cent concentrate and undersize per sample.</i></p> <p><i>Sample grade with change in bottom cut-off screen size.</i></p> <p><i>Adjustments made to size distribution for sample plant performance and performance on a commercial scale.</i></p> <p><i>If appropriate or employed, geostatistical techniques applied to model stone size, distribution, or frequency from size distribution of exploration diamond samples.</i></p> <p><i>The weight of diamonds may only be omitted from the report when the diamonds are considered too small to be of commercial significance. This lower cut-off size should be stated.</i></p>	<p>No commercially sized diamonds have been recovered from any of the exploration samples.</p> <p>No samples have been collected to specifically test for commercial diamond grade.</p>
Grade estimation for reporting Mineral Resources and Ore Reserves	<p><i>Description of the sample type and the spatial arrangement of drilling or sampling designed for grade estimation.</i></p> <p><i>The sample crush size and its relationship to that achievable in a commercial treatment plant.</i></p> <p><i>Total number of diamonds greater than the specified and reported lower cut-off sieve size.</i></p> <p><i>Total weight of diamonds greater than the specified and reported lower cut-off sieve size.</i></p> <p><i>The sample grade above the specified lower cut-off sieve size.</i></p>	<p>No commercially sized diamonds have been recovered from any of the exploration samples.</p> <p>No samples have been collected to specifically test for commercial diamond grade.</p>

Criteria	JORC Code explanation	Commentary
Value estimation	<p><i>Valuations should not be reported for samples of diamonds processed using total liberation method, which is commonly used for processing exploration samples.</i></p> <p><i>To the extent that such information is not deemed commercially sensitive, Public Reports should include:</i></p> <p><i>diamonds quantities by appropriate screen size per facies or depth.</i></p> <p><i>details of parcel valued.</i></p> <p><i>number of stones, carats, lower size cut-off per facies or depth.</i></p> <p><i>The average \$/carat and \$/tonne value at the selected bottom cut-off should be reported in US Dollars. The value per carat is of critical importance in demonstrating project value.</i></p> <p><i>The basis for the price (e.g., dealer buying price, dealer selling price, etc).</i></p> <p><i>An assessment of diamond breakage.</i></p>	No commercially sized diamonds have been recovered from any of the exploration samples.
Security and integrity	<p><i>Accredited process audit.</i></p> <p><i>Whether samples were sealed after excavation.</i></p> <p><i>Valuer location, escort, delivery, cleaning losses, reconciliation with recorded sample carats and number of stones.</i></p> <p><i>Core samples washed prior to treatment for micro diamonds.</i></p> <p><i>Audit samples treated at alternative facility.</i></p> <p><i>Results of tailings checks.</i></p> <p><i>Recovery of tracer monitors used in sampling and treatment.</i></p> <p><i>Geophysical (logged) density and particle density.</i></p> <p><i>Cross validation of sample weights, wet and dry, with hole volume and density, moisture factor.</i></p>	There was no requirement for sample security.
Classification	<p><i>In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive grade (carats per tonne). The elements of uncertainty in these estimates should be considered, and classification developed accordingly.</i></p>	No commercially sized diamonds have been recovered.

Appendix 1. Webb Project Drill Hole Collars

Drill Hole ID	Easting	Northing	Datum	Zone	Azimuth	Dip	Drill Type	Total Depth (m)
W13AC001	393300	7484935	GDA94	52L	0	-90	AC	96
W13AC002	389755	7485270	GDA94	52L	0	-90	AC	107
W13AC003	388840	7486260	GDA94	52L	0	-90	AC	74
W13AC004	386168	7487153	GDA94	52L	0	-90	AC	79
W13AC005	392740	7488630	GDA94	52L	0	-90	AC	82
W13AC006	406085	7487125	GDA94	52L	0	-90	AC	66
W13AC007	410755	7484870	GDA94	52L	0	-90	AC	49
W13AC008	409620	7485370	GDA94	52L	0	-90	AC	86
W13AC009	409578	7486436	GDA94	52L	0	-90	AC	54
W13AC009	409578	7486436	GDA94	52L	0	-90	AC	39
W13AC010	400369	7488650	GDA94	52L	0	-90	AC	84
W13AC011	400269	7488650	GDA94	52L	0	-90	AC	90
W13AC012	400471	7488643	GDA94	52L	0	-90	AC	57
W13AC013	401964	7489240	GDA94	52L	0	-90	AC	86
W13AC014	402064	7489240	GDA94	52L	0	-90	AC	73
W13AC015	409550	7486460	GDA94	52L	0	-90	AC	80
W13AC016	409520	7486510	GDA94	52L	0	-90	AC	69
W13AC017	409745	7485385	GDA94	52L	0	-90	AC	85
W13AC018	410000	7485740	GDA94	52L	0	-90	AC	41
W13AC019	408778	7486205	GDA94	52L	0	-90	AC	57
W13AC020	409645	7486445	GDA94	52L	0	-90	AC	42
W13AC021	410809	7486692	GDA94	52L	0	-90	AC	89
W13AC022	403985	7490290	GDA94	52L	0	-90	AC	55
W13AC023	395748	7492971	GDA94	52L	0	-90	AC	56
W14RC001	401360	7484781	GDA94	52L	0	-90	RC	160
W14RC002	401618	7483920	GDA94	52L	0	-90	RC	148
W14RC003	400696	7483429	GDA94	52L	0	-90	RC	82
W14RC004	401103	7482732	GDA94	52L	0	-90	RC	142
W14RC005	399907	7484094	GDA94	52L	0	-90	RC	120
W14RC006	398811	7483595	GDA94	52L	0	-90	RC	112
W14RC007	397906	7484110	GDA94	52L	0	-90	RC	130
W14RC008	401402	7485680	GDA94	52L	0	-90	RC	148
W14RC009	402598	7485680	GDA94	52L	0	-90	RC	110
W14RC010	400937	7486635	GDA94	52L	0	-90	RC	88
W14RC011	398778	7486635	GDA94	52L	0	-90	RC	124
W14RC012	397623	7487200	GDA94	52L	0	-90	RC	140
W14RC013	393756	7487256	GDA94	52L	0	-90	RC	172
W14RC014	383434	7487750	GDA94	52L	0	-90	RC	202
W14RC015	384125	7487440	GDA94	52L	0	-90	RC	120
W14RC016	389930	7487760	GDA94	52L	0	-90	RC	136
W14RC017	407379	7483914	GDA94	52L	0	-90	RC	94

W14RC018	383940	7485415	GDA94	52L	0	-90	RC	82
W14RC019	381932	7485475	GDA94	52L	0	-90	RC	100
W14RC020	379506	7485432	GDA94	52L	0	-90	RC	112
W14RC021	380440	7483245	GDA94	52L	0	-90	RC	112
W14RC022	387350	7488730	GDA94	52L	0	-90	RC	136
W14RC023	383504	7489412	GDA94	52L	0	-90	RC	124
W14RC024	388520	7488705	GDA94	52L	0	-90	RC	120
W14RC025	403514	7494329	GDA94	52L	0	-90	RC	140
W14RC026	401549	7495653	GDA94	52L	0	-90	RC	112
W14RC027	398879	7494860	GDA94	52L	0	-90	RC	124
W14RC028	395015	7495168	GDA94	52L	0	-90	RC	120
W14RC029	401027	7496362	GDA94	52L	0	-90	RC	100
W14RC030	399553	7496915	GDA94	52L	0	-90	RC	130
W14RC031	397249	7497198	GDA94	52L	0	-90	RC	140
W14RC032	397336	7496777	GDA94	52L	0	-90	RC	120
W14RC033	400370	7497275	GDA94	52L	0	-90	RC	154
W14RC034	394000	7494718	GDA94	52L	0	-90	RC	120
W14RC035	392078	7494948	GDA94	52L	0	-90	RC	140
W14RC036	393436	7494324	GDA94	52L	0	-90	RC	130
W14RC037	397073	7493745	GDA94	52L	0	-90	RC	136
W14RC038	395670	7493495	GDA94	52L	0	-90	RC	160
W14RC039	391127	7493933	GDA94	52L	0	-90	RC	120
W14RC040	392954	7493178	GDA94	52L	0	-90	RC	140
W14RC041	398978	7493470	GDA94	52L	0	-90	RC	120
W14RC042	399800	7493140	GDA94	52L	0	-90	RC	154
W14RC043	401323	7493169	GDA94	52L	0	-90	RC	118
W14RC044	407715	7492845	GDA94	52L	0	-90	RC	120
W14RC045	409256	7492390	GDA94	52L	0	-90	RC	100
W14RC046	410028	7492239	GDA94	52L	0	-90	RC	90
W14RC047	403033	7494163	GDA94	52L	0	-90	RC	130
W14RC048	401650	7494418	GDA94	52L	0	-90	RC	124
W18RC001	409382	7494998	GDA94	52L	0	-90	RC	50
W18RC002	409380	7485200	GDA94	52L	0	-90	RC	43
W18RC003	408327	7494976	GDA94	52L	0	-90	RC	63
W18RC004	405695	7496851	GDA94	52L	0	-90	RC	40
W18RC005	405797	7496949	GDA94	52L	0	-90	RC	94
W18RC006	399288	7501245	GDA94	52L	0	-90	RC	93
W18RC007	394796	7501998	GDA94	52L	0	-90	RC	81
W18RC008	395266	7502058	GDA94	52L	0	-90	RC	60
W18RC009	399423	7501401	GDA94	52L	0	-90	RC	49
W18RC010	406000	7496700	GDA94	52L	0	-90	RC	84
W18RC011	401434	7497606	GDA94	52L	0	-90	RC	64

Note: AC is Aircore, RC is Reverse Circulation

Annexure C – Solicitor’s Report

21 August 2023

The Directors
CGN Resources Limited
Suite 4, 6 Richardson Street
West Perth WA 6005

Dear Directors

CGN Resources Limited Solicitor's Report – Mining Tenements

This Report has been prepared for the Company for inclusion in its Prospectus to be issued in connection with its application for the admission of the ordinary shares of the Company to the official list of the ASX.

1. Scope

We have been requested to report on:

- (a) six granted exploration licences (prefixed 'E'); and
- (b) two applications for exploration licences (prefixed 'ELA')

collectively referred to as the 'Tenements' which are all located in Western Australia.

Key details of the Tenements are set out in Schedule 1 (and the conditions imposed thereon are set out in Schedule 2) of this Report and must be read in conjunction with this Report.

2. Searches

For the purposes of this Report, we have conducted searches and made enquiries in respect of the Tenements as follows:

- (a) searches of the tenements on the register maintained by the Department pursuant to the Mining Act on 16 August 2023 (**DMIRS Searches**);
- (b) quick appraisal user searches of the Tengraph system maintained by the Department on 10 August 2023 and 15 August 2023 (**Tengraph Searches**);

- (c) searches of the schedule of native title applications, register of native title claims, national native title register, register of indigenous land use agreement and national land use agreements as maintained by the NNTT for any native title claims (registered or unregistered), native title determinations and ILUAs that overlap or apply to the Tenements on 10 August 2023 (**NNTT Searches**); and
- (d) searches from the online Aboriginal Cultural Heritage Inquiry System (**ACHIS Searches**) maintained by the Department of Aboriginal Affairs for any Aboriginal sites registered on the Register of Aboriginal Sites and other heritage places of interest existing over the Tenements on 10 August 2023.

3. Purpose

- (a) The purpose of this Report is to determine and identify, as at the date of this Report:
 - (i) the interests held by the Company in the Tenements;
 - (ii) any third party interests, including encumbrances, in relation to the Tenements;
 - (iii) any material issues existing in respect of the Tenements;
 - (iv) the good standing, or otherwise, of the Tenements; and
 - (v) any concurrent interests in the land the subject of the Tenements, including other mining tenements, private land, pastoral leases, native title and Aboriginal heritage.
- (b) This Report is limited to the matters contained within and, for example, does not consider risks and issues (such as any additional approvals) that may arise in relation to the development of a mining project on the Tenements and any subsequent mining and processing of ore.

4. Summary of key items and overview of risk factors

4.1 Tenements and Title

As at the date of this Report:

- (a) the Company has applied for an 85% interest in Pending Tenement ELA80/5864. The remaining 15% interest has been applied for by Meteoric;
- (b) the Company has applied for an 86% interest in Pending Tenement ELA80/5956. The remaining 14% interest has been applied for by Meteoric;
- (c) the Company has a 70% registered interest in E80/4815. The remaining 30% registered legal interest is held by Meteoric; and
- (d) the Company has an 80% registered legal interest in E80/5471, E80/5496, E80/5499, E80/5573 and E80/5633. The remaining 20% registered interest is held by Meteoric.

The Tenements all form part of the Webb Diamond Joint Venture, an unincorporated joint venture pursuant to the Webb Diamond JVA.

The Company has advised that, pursuant to the Webb Diamond JVA, it has an 86% beneficial interest in all of the Tenements.

The Company's beneficial interest in the Tenements (as further described in section 10.1(a)(ix) below) does not correspond to its registered interest in the Tenements (set out in

Schedule 1). Unless and until the remaining portion of its beneficial interest in the Tenements has been transferred to the Company, there is a risk that the Company may end up in dispute in relation to the transfer of the remaining portion of its beneficial interest.

We are instructed that the Company intends to take steps to transfer the remaining portion of its beneficial interest in the Tenements so that the legal, registered interest held by the Company in the Tenements is reflective of the beneficial interest it holds under the Webb Diamond JVA, at the appropriate time in accordance with the Webb Diamond JVA.

4.2 Renewal

E80/4815 has been renewed for one additional 5 year term and is in its second term of grant.

Under the Mining Act, exploration licences are granted for an initial term of 5 years and can be then renewed once for an additional 5 year term, thereafter for additional terms of 2 years. When applying to renew a mining tenement, sufficient grounds must be provided to warrant the need for a renewal for further terms.

If sufficient grounds cannot be provided for future renewals, the Tenement may expire at the end of the current term unless retention status is applied for (please refer to section 5.1(e) below) or the Tenements are converted to a mining lease (please refer to section 5.1(g) below).

For further information on the term and renewals of the Tenement, please see Schedule 1 of this Report.

4.3 Grant

The Pending Tenements are not yet granted. There is a risk that:

- (a) the Pending Tenements may not be granted or there may be a delay to grant of the Pending Tenements; and/or
- (b) the Pending Tenements may be granted over a lesser area than applied for or the Pending Tenements may be granted subject to non-standard conditions.

In particular, ELA80/5956 was only recently applied for and remains subject to a 35 day objection period (closing on 18 September 2023) whereby a party may object to the grant of the tenement under the Mining Act. Should an objection be lodged, the objection will need to be resolved and withdrawn, which may delay the grant of ELA80/5956. Unless parallel processing is requested, after the 35 day Mining Act objection period (and depending on whether any objections are lodged) ELA80/5956 will be subject to a 4 month native title advertising period, which may also further delay the grant of the tenement.

4.4 Aboriginal Reserves

All of the Tenements are located within the Aboriginal Reserves which require:

- (a) the consent of the Minister for Aboriginal Affairs to explore on the Aboriginal Reserves; and
- (b) an Entry Permit to be granted pursuant to the AAPA Act in order to access and carry out exploration activities on the Aboriginal Reserves. This will generally require consultation with the affected native title claimants in the area.

The legal regime around access onto the Aboriginal Reserves is discussed in detail in section 9.1.

The existence of the Aboriginal Reserves in the vicinity of the Tenements may also affect the Company's ability to secure the grant of, and access to, future tenure over the Tenements or in their vicinity.

Any delays or costs in respect of conflicting third-party rights, obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas.

4.5 Native title

- (a) The Tenements all fall wholly within a registered native title determination. The existence of native title determinations or claims over the area covered by the Tenements, or a subsequent determination of native title over the area, will not impact the rights or interests of the holder under the Tenements provided the Tenements have been or will be validly granted in accordance with the Native Title Act.
- (b) The grant of any future tenure to the Company over areas that are covered by registered claims or determinations will likely require engagement with the relevant claimants or native title holders (as relevant) in accordance with the Native Title Act.
- (c) For information on native title affecting the Tenements, please see section 7.10 of this Report.

4.6 Aboriginal Heritage risks

- (a) The ACHIS Searches of the Tenements identified Aboriginal cultural heritage places or landscapes within certain Tenements (being those Aboriginal cultural heritage places or landscapes on the 'ACH Directory'). The ACHIS Searches did not identify any Aboriginal cultural heritage places or landscapes with information in a verification process (being those Aboriginal cultural heritage places or landscapes as 'ACH Pending'). For further information, please refer to section 8.4 of this Report.
- (b) However, there remains a risk that additional Aboriginal sites or places may exist on the land the subject of the Tenements. The existence of such sites may preclude or limit mining activities in certain areas of the Tenements or cause delays in the progression of the development of a mine.

4.7 Royalty

- (a) E80/5573 is subject to a 1% gross sales royalty, payable to Jane McIntyre and John McIntyre (**McIntyre Royalty**). This royalty, along with the usual royalties payable to the State of Western Australia (if applicable), may have an impact on the economics of progressing any proposed mining operations on the Tenement.
- (b) For information on the McIntyre Royalty, please see section 11.

5. Tenements

The following provides a description of the nature and key terms of the Tenements (including potential successor tenements) that may be granted under the Mining Act which are relevant to the Tenements the subject of this Report.

5.1 Exploration Licences

- (a) Licence area and authority

The holder of an exploration licence is entitled to enter the land for the purposes of exploring for minerals with employees, contractors and such vehicles, machinery and

equipment as may be necessary or expedient. An exploration licence will not be granted over land the subject of an existing mining tenement other than a miscellaneous licence.

(b) Term and extension

Exploration licences are granted for a term of 5 years. The Minister has discretion to extend the exploration licence for one further period of 5 years and then by further 2 year periods if satisfied that a prescribed ground for extension exists.

(c) Other conditions

Exploration licences are granted subject to various standard conditions, including conditions relating to minimum expenditure, the payment of prescribed rent and observance of Aboriginal heritage, environmental protection and reporting requirements. A failure to comply with these conditions or obtain to an exemption from compliance may lead to financial penalties and/or forfeiture of the exploration licence. For the purpose of this Report, we have only summarised key conditions and endorsements relating to the Tenements in Schedule 2 that are not the standard conditions included in most or all tenements.

(d) Relinquishment requirement

Exploration licences of more than 10 blocks applied for after 10 February 2006 are subject to a requirement that the holder relinquishes 40% of the tenement area at the end of the sixth year that the licence is held. A failure to lodge the required partial surrender could render the exploration licence liable to forfeiture.

(e) Retention status

The holder of an exploration licence applied for after 10 February 2006 may apply for retention status for the exploration licence. The Minister may approve the application where there is an identified mineral resource in or under the land the subject of the exploration licence, but it is impractical to mine the resource for prescribed reasons. Where retention status is approved, the minimum expenditure requirements are reduced in the year of grant and ceases in future years, however, the Minister has the right to impose a programme of works or require the holder to apply for a mining lease.

(f) Transfer during first year

During the first year of grant of an exploration licence, a legal or equitable interest in or affecting the exploration licence cannot be transferred or otherwise dealt with, whether directly or indirectly, without obtaining the prior written consent of the Minister. Exploration licences can otherwise be transferred without the requirement to obtain the consent of the Minister.

(g) Right to apply for mining lease

The holder of an exploration licence has priority to apply for a mining lease over any land subject to the exploration licence. Any application for a mining lease must be made prior to the expiry of the exploration licence. The exploration licence remains in force until the application for the mining lease is determined.

(h) Rent and expenditure requirements

Annual rent is payable for an exploration licence and the holder of an exploration licence must comply with the prescribed minimum expenditure conditions unless the holder has been granted an exemption (in whole or part) from those conditions by the Minister. An exemption to the minimum expenditure conditions will only be granted on

certain grounds set out in the Mining Act or at the discretion of the Minister. A failure to comply with expenditure requirements, unless an exemption is granted, renders the exploration licence liable to forfeiture or the Minister imposing a monetary penalty as an alternative.

(i) Risk to Exploration Licences (*True Fella v Pantoro South*)

On 18 August 2022, the Warden's Court of Western Australia handed down a decision (*True Fella Pty Ltd v Pantoro South Pty Ltd* [2022] WAMW 19) which has created uncertainty over the validity of exploration licences in Western Australia.

The case related to a priority dispute in respect of competing exploration licence applications. The Warden held that an exploration licence application will be invalid if the statement required to accompany an application for an exploration licence in accordance with section 58 of the WA Mining Act does not strictly comply with all of the requirements of section 58. The Warden held that this requires an applicant to include in such statement:

- (i) a detailed work program and expenditure plan for the life of the exploration licence (ie each of the 5 years);
- (ii) a detailed work program proposal that identifies the intended areas of exploration and specifying the reasons for choosing those areas; and
- (iii) demonstration of a clear connection between the financial and technical resources available to an applicant and the proposed method of exploration and work program contained in the statement.

Common industry practice for most mining companies is to submit expenditure plans for the first one or two years of the licence. As such, it is possible that as a result of this decision, the vast majority of current exploration licence applications will be invalid on this basis alone.

Similarly to *Forrest & Forrest Pty Ltd v Wilson* [2017] HCA 30, the decision has also created uncertainty as to the validity of granted exploration licences that, at the time of application, did not comply with the initial section 58 requirements. It is expected that the Minister will step in and find a resolution following this decision, similar to what occurred after the *Forrest & Forrest* decision (albeit some five years later, a legislative fix to the issue regarding the validity of mining leases is still pending.)

It remains unclear whether the *True Fella v Pantoro South* decision impacts existing exploration licences. However, on 26 August 2022, the Minister for Mines released a statement advising that the McGowan Government is taking the decision very seriously, and will act to ensure certainty and security of tenure for proponents. This will include any steps necessary to ensure the validity of granted exploration licences.

The risk to validity is likely low, given that the Tenements are all granted exploration licences. However, until the time that the Minister resolves and implements steps to validate exploration licences there remains some uncertainty in respect of this issue.

5.2 Mining Leases

(a) Application

- (i) Any person may lodge an application for a mining lease, although a holder of a prospecting licence, exploration licence or retention licence over the relevant area has priority. The Minister decides whether to grant an application for a mining lease.

- (ii) The application, where made after 10 February 2006, must be accompanied by either a mining proposal or a supporting statement outlining mining intentions and a “mineralisation report” indicating there is significant mineralisation in the area over which a mining lease is sought. A mining lease accompanied by a “mineralisation report” will only be approved where the Director considers that there is a reasonable prospect that the mineralisation identified will result in a mining operation.

(b) Rights

The holder of a mining lease is entitled to mine for and dispose of any minerals on the land in respect of which the lease was granted. A mining lease entitles the holder to do all acts and things necessary to effectively carry out mining operations.

(c) Term and transfer

A mining lease has a term of 21 years and may be renewed for successive periods of 21 years. Where a mining lease is transferred before a renewal application has been determined, the transferee is deemed to be the applicant. The consent of the Minister is required to transfer a mining lease.

(d) Conditions

Mining leases are granted subject to various standard conditions, including conditions relating to expenditure, the payment of prescribed rent and royalties and observance of environmental protection and reporting requirements. An unconditional performance bond may be required to secure performance of these obligations. A failure to comply with these conditions may lead to forfeiture of the mining lease.

(e) Royalty

A royalty is payable to the State of Western Australia in relation to minerals obtained from the land that is the subject of a mining lease granted under the WA Mining Act. In Western Australia, there are two systems used to collect mineral royalties:

- (i) *specific rate* - calculated as a flat rate per tonne produced and generally applies under legislation to low value construction and industrial minerals. The rates on production between 1 July 2015 and 30 June 2025 are 73 cents per tonne and 117 cents per tonne; and
- (ii) *ad valorem* - calculated as a percentage of the ‘royalty value’ of the mineral, which applies under the *Mining Regulations 1981 (WA)*. The royalty value is broadly calculated as the quantity of the mineral in the form in which it is first sold, multiplied by the price in that form, minus any allowable deductions. The ad valorem royalty rate takes into account price fluctuations and material grades as follows:
 - (A) bulk material (subject to limited treatment) - 7.5% of the royalty value;
 - (B) concentrate material (subject to substantial enrichment through a concentration plant) - 5% of the royalty value; and
 - (C) metal - 2.5% of the royalty value.

(f) Mining Rehabilitation Fund

The holders of all mining tenements, except those tenements covered by special agreements with the State of Western Australia not listed in the *Mining Rehabilitation Fund Regulations 2013 (WA)*, are required to participate in the Mining Rehabilitation

Fund. This is a pooled fund to which Western Australian mining operators contribute and the money is used to rehabilitate abandoned mine sites in Western Australia. Tenement holders with an annual rehabilitation liability of \$50,000 or less are not required to contribute.

(g) Risk to Mining Leases (*Forrest & Forrest*)

In 2017, the High Court of Australia handed down a decision, *Forrest & Forrest Pty Ltd v Wilson* [2017] HCA 30, that called into question the validity of a number of mining leases in Western Australia. In overturning the WA Court of Appeal decision, the High Court held that strict compliance with section 74 of the WA Mining Act was a pre-condition to the grant of a mining lease. Specifically, it was held that the failure to lodge a mining proposal or a mineralisation report at the same time as the Mining Lease application meant that the application was invalid. The fact that a mineralisation report was subsequently lodged, prior to the Warden's consideration of the application, made no difference to the validity of the original application. The *Mining Amendment Bill 2022* was passed under its former name of the *Mining Amendment Bill 2021* by the McGowan Government on 20 September 2021. A period of public consultation followed (including consultation with industry, native title groups and the DMIRS).

The Bill proposes to amend the WA Mining Act, to improve regulation and regulatory practice in Western Australia, and, to validate those mining leases where the mineralisation report was not submitted concurrently with the mining lease application. It is not known when the amendments will take effect.

Until this time, there remains some uncertainty as to the validity of some granted mining leases in Western Australia.

6. Combined Reporting, Expenditure and Rent Compliance

The holder of a group of granted tenements may apply for Ministerial approval to submit one combined annual mineral exploration report on a common date for a group of contiguous tenements that are being worked as one exploration project.

An application for combined reporting may be approved if:

- (a) there is a common geological target;
- (b) the tenements are contiguous (or nearly contiguous) and do not extend over large areas;
- (c) all tenements have the same holder; or the holder/operator has the legal ability to acquire at least a controlling interest in all tenements in the group; and
- (d) all overdue reports on individual tenements have been submitted.

Our searches indicate that the below Tenements fall in to the following combined reporting group:

Tenement/s	Combined Reporting Group Number	Project
E80/4815, E80/5471, E80/5496, E80/5499, E80/5573, E80/5633	199/2010	Webb

Under the Mining Act, an exemption to the minimum expenditure commitment may be granted where:

- (e) the mining tenement is one of 2 or more mining tenements (combined reporting tenements) the subject of a combined reporting group; and
- (f) the aggregate exploration expenditure for the combined reporting tenements would have been such as to satisfy the expenditure requirements for the mining tenement concerned had that aggregate exploration expenditure been apportioned between the combined reporting tenements.

Given the Tenements largely all form part of a consolidated reporting group, where the minimum expenditure across the group has been met or exceeded, then it is very likely that an exemption will be granted (provided there have been no other breaches of the tenement conditions).

Otherwise, a failure to comply with the minimum expenditure and rent conditions imposed on the grant of a tenement may result in a penalty or forfeiture being enforced in respect to the tenement. Our Searches indicate that, in respect to the Tenements (except the Pending Tenements):

- (g) the rent has been paid in full in respect of all of the Tenements for the current reporting year;
- (h) the Form 5 Operations Report has been lodged for the most recent reporting year for all of the Tenements (with the exception of E80/5499, whereby the Form 5 Operations Report is due on 30 September 2023, which have either met or exceeded the minimum expenditure requirements for that year (or in the case of E80/5633 has had an exemption granted for the full expenditure amount, and is therefore deemed to have met the minimum expenditure); and
- (i) in respect to E80/5499, the Company has advised that it expects to meet the minimum expenditure for the current tenement year.

For further information, please refer to Schedule 1.

7. Native title

7.1 General

On 3 June 1992, the High Court of Australia held in *Mabo v. Queensland (No. 2)* (1992) 175 CLR 1 that the common law of Australia recognises a form of native title. The Native Title Act came into effect on 1 January 1994, largely in response to the decision in *Mabo v. Queensland (No. 2)* (1992) 175 CLR 1.

The law in Australia recognises that Aboriginal people may hold native title rights and interests in respect of their land. Native title exists where Aboriginal people have maintained a traditional connection to their land and waters, provided it has not been extinguished.

The grant of a mining tenement also creates rights in respect of land. Those mining tenement rights may affect (i.e. be inconsistent with) certain native title rights and interests. As a general statement, those mining tenement rights will be invalid as against any native title rights, unless made valid by certain procedures in the Native Title Act.

7.2 Native title claims

The Native Title Act sets out a process by which Aboriginal people may seek a determination by the Federal Court that they hold native title rights and interests. Whilst the Federal Court is assessing the claimed native title rights and interests, a Registrar of the NNTT will assess

whether the native title claim meets certain registration requirements set out in the Native Title Act, and if so, the native title claim will be entered on the RNTC. If the Federal Court determines that the claimed native rights and interests exist, details of the determined native title claim (and the determined native title rights held) are then entered on the NNTR.

If a claim for native title is entered on the RNTC, or a determined claim is entered on the NNTR, the Native Title Act provides the claimants/holders with certain rights, including procedural rights where a 'future act' is proposed. An example of a 'future act' is the grant of a mining tenement.

The Native Title Act sets out when 'acts' will be 'valid' in the event they affect (i.e. are inconsistent with) native title, however, this process need only apply where native title exists (a determined native title claim entered on the NNTR) or is claimed to exist (a native title claim entered on the RNTC). The 'acts' can be a proposed activity or development on land and waters. A common example in Western Australia is the proposed grants of mining tenements by the Department.

7.3 'Past Acts' (ie grants of mining tenements): Prior to 1 January 1994

The Native Title Act permits, and all States and Territories of Australia have passed, legislation validating certain 'acts' which were done before 1 January 1994. In Western Australia, that legislation is the *Titles (Validation) and Native Title (Effect of Past Acts) Act 1995 (WA)*. It provides that all 'acts' (e.g. grants of mining tenements) prior to 1 January 1994 are valid to the extent they affect native title.

7.4 'Future Acts' (i.e. proposed grants of mining tenements): After 1 January 1994

Generally, a 'future act' is an 'act' (e.g. grant of mining tenement) occurring after 1 January 1994 which affects native title.

The Native Title Act sets out the circumstances in which, and procedures by which, 'future acts' will be valid should that 'act' affect native title.

Such circumstances include if the 'act' was done in certain circumstances between 1 January 1994 and 23 December 1996 (called 'Intermediate Period Acts'), or if the 'act' is permitted by an ILUA, or if certain procedures are to be followed where a claim for native title is entered on the RNTC, or a determined claim is entered on the NNTR. Such procedures include the 'Right to Negotiate Procedure' and the 'Expedited Procedure'. The key elements of these processes are outlined below.

7.5 Intermediate Period Acts Between 1 January 1994 and 23 December 1996

Similarly to Past Acts, the Native Title Act permits, and all States and Territories of Australia have passed, legislation validating certain Intermediate Period Acts (e.g. grants of mining tenements) done between 1 January 1994 and to 23 December 1996 over land or water where a freehold estate or lease (including a pastoral lease but not a mining lease) had been validly granted.

7.6 Right to Negotiate Procedure

Under the Right to Negotiate Procedure, the native title party whose details are registered on the RNTC or NNTR, the applicant for the mining tenement and the relevant State or Territory (collectively, the **Negotiation Parties**) are required to negotiate in good faith with a view to the native title party agreeing to the proposed future act.

The scope of the negotiations includes any matters relating to the effect of the grant of the future act on the claimed or determined native title rights and interest. Where the future act is the proposed grant of an exploration or prospecting licence, usually an agreement is reached which aims to protect Aboriginal heritage. This is because exploration licences confer only

limited rights to the registered holder of the licence, conferring rights to conduct exploration and disturb the land for that purpose.

Where the future act is the proposed grant of a mining lease, the negotiations and resulting agreement are usually more complex, as the nature of rights granted under a mining lease includes substantial ground disturbance. Such an agreement may address employment and training, environmental rehabilitation, Aboriginal heritage protection, cultural awareness and the payment of compensation.

If the Negotiation Parties negotiate in good faith but cannot reach agreement in respect of the future act, then provided at least 6 months have elapsed since the S29 Notice, any party (in most cases the applicant for the mining tenement) may apply to the NNTT for a determination as to whether the future act may be done, and if so, on what conditions.

7.7 Expedited Procedure

If the proposed future act (i.e. grant of the tenement) is not likely to interfere with the activities or sites of significance of the registered native title party or involved major disturbances to land or waters, a simplified process may apply (known as the Expedited Procedure). A registered native title party may object to this process and, if it does, the NNTT must determine the validity of the objection (which may result in the Expedited Procedure not being able to be utilised).

Previously, Department policy on the inclusion of the Expedited Procedure statement in notices issued under section 29 of the Native Title Act applied a 'blanket approach' to the application of the Expedited Procedure to prospecting licences, exploration licences, and retention leases.

However, as at 1 June 2022, the current Department policy is that it undertakes a 'considered' application/case management approach of the Expedited Procedure process. This is done as follows:

- promoting early engagement between tenement applicants and native title parties (including by providing a statement of expectations in respect to engagement with the native title parties, and engagement protocols);
- in terms of engagement, the Department expects that tenement applicants will actively engage with native title parties and provide details of early proposed works to native title parties (ie as required under section 58 of the WA Mining Act when lodging an application); and
- in the event that the State determines that a tenement applicant has not actively engaged with the native title parties, it may consider withdrawing the Expedited Procedure statement and move the tenement application to the Right to Negotiate Procedure, or, in extreme circumstances, seek consideration from the Minister as to whether it is in the public interest under section 111A of the WA Mining Act for the tenement application to be refused.

The Department will also conduct a risk assessment in respect to tenement applications, such risks include:

- prior adverse decisions as to whether the expedited procedure was found to not apply to the area of the tenement application;
- known sites of significance over the area of the tenement; and
- impact to communities and water bodies.

This assessment runs parallel to the WA Mining Act objections process and does not delay the grant of a tenement application.

The purpose of the new process is to encourage early engagement and facilitate agreement between tenement applicants and native title parties and reduce delays to the grant of exploration licences.

7.8 ILUA

An ILUA is an agreement which has been authorised by the native title claimant group and has been registered with the NNTT. An ILUA binds the parties to the ILUA and also all persons holding native title rights in respect of the relevant area that may not be a party. If an ILUA provides that any particular mining tenement(s) may be granted, then the relevant mining tenement(s) may be granted as provided for by the ILUA, generally without following other procedures, including the Right to Negotiate Procedure or the Expedited Procedure.

Our searches indicate that the Tenements do not overlap any registered ILUAs.

7.9 Compensation

In certain circumstances holders of native title (a determined native title claim that is registered on the NNTR) may be entitled to apply under the Native Title Act to the Federal Court for compensation for any effect on their native title. The Mining Act provides that holders of mining tenements are liable for such compensation where awarded by reason of their mining tenements having affected native title. Consequently, if it has been, or is in the future, determined that native title exists over any of the land the subject of a mining tenement (or granted future act) and the holders of the native title apply to the Federal Court for compensation, the holder of the tenement may be liable to pay the determined compensation.

7.10 Native title determinations affecting the Tenements

The NNTT Searches in respect of the Tenements indicate that all of the Tenements lie wholly (100%) within the registered Kiwirrkurra People native title determination area (NNTT file number WCD2001/002, Federal Court file number WAD6019/1998). On 19 October 2001 it was determined that native title exists over the entire determination area. The determination took effect on the same date. The area of the Kiwirrkurra People native title determination is subject to certain Aboriginal Reserves and access to the area will not be granted without the consent of the Kiwirrkurra native title holders. Tjamu is the prescribed body corporate established by the Kiwirrkurra native title holders. Tjamu holds in trust the native title rights and interests on behalf of the Kiwirrkurra native title holders. For further information, please refer to section 9.1 below.

The existence of any native title claims over the area covered by the Tenements, or a subsequent determination of native title over the area, will not impact the rights and interests of the holder under the Tenements provided they have been validly granted.

However, the grant of any future tenure over areas that are covered by a registered claim or a positive determination of native title will require engagement with the relevant claimants or native title holders (as relevant) in accordance with the Native Title Act.

7.11 Compliance with the Validity of Tenements

With respect to the granted Tenements, we have assumed that, prior to grant, the Department was satisfied that the Native Title Act had been complied with. Provided that the Tenements are validly granted in accordance with the Native Title Act, they will be valid as against native title rights and interests.

7.12 Validity of Tenements

The Tenements were all granted after 23 December 1996 and were therefore granted subject

to the Native Title Act. Provided that the Tenements are validly granted in accordance with the Native Title Act, they will be valid as against native title rights and interests.

7.13 Native Title status of Pending Tenements

ELA80/5864 was applied for on 9 November 2022 and was referred to the 4 month native title advertising on 31 March 2023. The advertising period closed on 31 July 2023. Native title has been cleared and the expedited procedure applies.

ELA80/5956 was only recently applied for (on 14 August 2023) and remains subject to a 35 day objection period whereby a party may object to the grant of the tenement. Should an objection be lodged, the objection will need to be resolved and withdrawn before the ELA80/5956 is referred to for the 4 month native title advertising period (unless parallel processing is requested). Any objection lodged by a third party under the Mining Act, or by a native title party may delay the grant of ELA80/5956.

8. Aboriginal heritage

8.1 General

Aboriginal heritage is protected by both Commonwealth legislation as well as legislation in each State and Territory of Australia.

8.2 Commonwealth Legislation

The Commonwealth Heritage Act is aimed at the preservation and protection of any Aboriginal objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

We have not undertaken any searches in respect of the Commonwealth Heritage Act for the purposes of this Report.

8.3 Western Australian legislation

The State Government is currently progressing changes to the laws governing the protection and management of Aboriginal heritage in Western Australia. The new ACH Act, that was passed in December 2021 (and came into force on 1 July 2023) to replace the existing AHA will be repealed, and an amended version of the AHA is expected to be introduced.

The critical amendments to the restored AHA legislation are expected to include:

- the newly formed ACHA established under the ACH Act will take on the role of the 'Committee' established under the AHA to make recommendations on Section 18 Notices to the Minister;
- proponents and Native Title parties will have the same right of review for Section 18 decisions via the State Administrative Tribunal, with clear timeframes and an ability for the Premier to call-in a decision of 'State significance', to act in the interests of all Western Australians; and
- when a Section 18 has been approved, a new requirement for the owner to notify the Minister of any new information about an Aboriginal site.

The AHA:

- provides for the establishment of a Register of Aboriginal sites in Western Australia and the assessment and registration of Aboriginal sites on that Register; and
- protects all Aboriginal sites in Western Australia which meet the criteria in section 5 of the WA Heritage Act whether the Aboriginal Site is entered on the Register or not.

It is an offence under the AHA to excavate, destroy, damage, conceal or in any way alter an Aboriginal site or any object on or under an Aboriginal site, unless the person or company is acting with the authority of the Registrar or the consent of the relevant Minister. The offence applies regardless of whether the Aboriginal site has been entered on the Register of Aboriginal sites. It is a defence if the person (or company) charged can prove that he did not know and could not reasonably be expected to have known, that the place or object was protected by the AHA.

The AHA accordingly applies to activities on a mining tenement and all mining tenements in Western Australia are granted subject to an endorsement reminding the tenement holder of its obligation to comply with the requirements of the AHA.

8.4 Aboriginal sites and other heritage places on the Tenements

Following the recent reform of the Aboriginal cultural heritage landscape in Western Australia, the ACHIS provides results of Aboriginal cultural heritage as follows:

- 'ACH Directory' – being Aboriginal cultural heritage places or cultural landscape. Aboriginal places previously assessed as 'Registered' or 'Lodged' under the AHA will appear in the Directory; and
- 'ACH Pending' – being those Aboriginal cultural heritage places or cultural landscape with information in a verification process.

The results of the ACHIS Searches in respect to Aboriginal Cultural Heritage within the Tenements are summarised below. Our Searches indicate that some of the Tenements are subject to Aboriginal cultural heritage under the ACH Directory and none of the Tenements are subject to Aboriginal cultural heritage under ACH Pending. As of the date of this Report, due to the recent lodgement of the application for ELA80/5956, the ACHIS Searches are not available for this application.

Tenements affected	Site ID	Site Name	Legacy Place Status	Status	Type
E80/5633	2791	Webb	Registered Site	ACH Directory	Artefacts / Scatter; Painting
E80/5499	2081	Wiluinga	Lodged	ACH Directory	Creation / Dreaming Narrative
E80/5496 and E80/5633	2033	Karkulpa	Lodged	ACH Directory	Creation / Dreaming Narrative
E80/5471 and E80/5633	2083	Kuringa	Lodged	ACH Directory	Creation / Dreaming Narrative

The ACHIS search results summarised above do not mean that there are no other Aboriginal sites or Aboriginal heritage places within the area of the Tenements. It is only an indication that no other Aboriginal sites or Aboriginal heritage places have been registered in the area to date.

8.5 Aboriginal heritage agreements affecting the Tenements

As discussed above at section 7.6, Department policy provides that applications for exploration licences will generally not be processed for grant through the Expedited Procedure unless the applicant for the licence provides evidence that an appropriate Aboriginal heritage agreement has been entered into with any affected registered NTC (if any).

The Company and Meteoric are party to the Tjamu Agreement which applies to all of the Tenements except E80/5633 (granted 25 January 2022) and the Pending Tenements. The Company has advised that it intends that the Tjamu Agreement will be amended at a later date, by deed of variation to include E80/5633 and the Pending Tenements, once granted.

The key provisions of the Tjamu Agreement are set out as follows:

- (a) **(Access):** Subject to the Company and Meteoric (**Explorer**) obtaining an Entry Permit and the Consent to Mine, and until the expiry of the Entry Permit, the Explorer may (in accordance with the terms and conditions of the relevant Entry Permit, a Consent to Mine and exploration licence) enter the area of the Kiwirrkurra People native title determination (**Determination Area**) to carry out works (including entry and exploration) on the Tenements covered by the Tjamu Agreement. The Tjamu Agreement also provides a regime pursuant to which Tjamu will assist the Company to obtain Entry Permits and Consents to Mine, as required. Tjamu has agreed to ensure that any mining access entry permit is not revoked for the term of the Tjamu Agreement. Access over the Determination Area is subject to the Explorer's personnel complying with various conditions including conditions dealing with the protection of heritage sites and places and non-interference with Aboriginal persons.
- (b) **(Works):** The Explorer must not undertake any works on the Determination Area unless a works program has been provided to Tjamu and the proposed location within the Determination Area where works are to take place has been cleared by Tjamu. Cleared works locations notified by Tjamu to the Explorer may be relied upon as protection against future claims brought by Tjamu that such operations by the Explorer have interfered with Aboriginal sites or objects. The Tjamu Agreement also includes terms dealing with airborne surveys, supervision of works by Tjamu and the discovery of Aboriginal sites or objects. The Company has advised that it provides work programs to Tjamu prior to any work taking place within the Tenements and that sufficient areas over the Tenements have been cleared in order for the Company to commence its activities on the Tenements.
- (c) **(Environment):** In undertaking its mining operations, the Explorer must comply with environmental protection and rehabilitation requirements, including in respect of access roads, drill sites construction, pollution and sub-surface water. The Tjamu Agreement prohibits any works within the Determination Area in respect of uranium exploration.
- (d) **(Payments):** The Explorer must make the annual compensation payments to Tjamu including in respect of the right of access and land disturbance to the Determination Area.
- (e) **(General):** The Tjamu Agreement also contains provisions around the employment and training of the Kiwirrkurra People, use and maintenance of access roads, the removal and maintenance of infrastructure and places an obligation on the Explorer to provide information to Tjamu.

The entry into Aboriginal heritage agreements is not a requirement of the AHA but is an industry standard means of managing the risk of contravention of the AHA where there is a NTC or other claim group with a recognised connection to the relevant land.

9. Land access

9.1 Aboriginal Reserves

(a) Overlap with Aboriginal Reserves

- (i) the Tengraph Searches indicate that the Tenements fall wholly within Aboriginal Reserves as follows:

ID	Tenement (% overlap)	Description shown on Tengraph Search
24923	E80/5633 (100%) E80/5573 (100%) E80/5499 (98.55%) E80/5496 (100%) E80/5471 (100%) E80/4815 (100%) ELA80/5864 (100%) ELA80/5864 (100%)	"A" Class Reserve - Use and Benefit of Aboriginal Inhabitants
40783	E80/5499 (1.45%)	"A" Class Reserve - Use and Benefit of Aboriginal Inhabitants

- (ii) The AAPA Act governs the establishment, management and access to areas of land in Western Australia designated as Aboriginal Reserves. The AAPA Act established a statutory body, the ALT, to be responsible for the overall management of Aboriginal Reserves. The ALT administers the issue of permits for entry onto those designated Aboriginal Reserves subject to Part III of the AAPA Act.
- (iii) Aboriginal Reserves 24923 and 40783 are both designated reserved land subject to Part III of the AAPA Act.
- (iv) The whole area of Aboriginal Reserves 24923 and 40783 is leased to the Ngaanyatjarra Land Council (Aboriginal Corporation) pursuant to two separate 99 year leases (numbers 243 and 245) both dated 29 November 1988 with the ALT, the Minister for Aboriginal Affairs and the Aboriginal Affairs Planning Authority.

(b) Entry Permit

- (i) A mining access entry permit is required for any mining activity on any Aboriginal Reserve (**Entry Permit**). Mining activity includes surveying and/or marking out of tenements, fossicking, prospecting, exploring and mining. An Entry Permit also covers travelling through such Aboriginal Reserves to access mining tenements outside the reserve for the purpose of mining activities.
- (ii) The Minister for Aboriginal Affairs issues Entry Permits after seeking the views of the ALT, which in turn must be satisfied there has been adequate consultation with any resident Aboriginal community and relevant native title interests (which in the case of the Tenements is the Kiwirrkurra People native title determination).

- (iii) An application for an Entry Permit usually consists of the following actions:
- (A) submitting a written request to the DPLH requesting advice on the grant of Entry Permits. The request must include tenement details (number, holder, grant status), details of the relevant Aboriginal Reserve and brief details about what works are proposed over the area;
 - (B) completing the requirements set out in the response provided by the DPLH which usually includes consultation with the parties nominated by the ALT (usually the resident communities and native title interests, which in the case of the Tenements is the Kiwirrkurra People native title determination) and obtaining an agreement from the consulted parties; and
 - (C) the DPLH prepares a submission for consideration by the ALT and the Minister for Aboriginal Affairs based on the results of the consultation process.

(c) Consent to Mine

In addition, mining may not take place on a tenement located within an Aboriginal Reserve without the written consent of the Minister under the Mining Act who will consult with the Minister for Aboriginal Affairs and obtain a recommendation from them as to whether mining should be allowed (**Consent to Mine**). "Mining" in this context is consistent with the broader definition applied to Entry Permits in that it includes prospecting and exploration and is therefore required before conducting activities pursuant to prospecting licences and exploration licences, not just mining leases.

(d) Company authorisations

- (i) As detailed in Schedule 2, Consents to Mine have been granted in respect of all the Tenements other than E80/5633 (tenement granted in January 2022).
- (ii) Pursuant to the Tjamu Agreement, the Company and Meteoric have obtained Entry Permits for exploration and exploration related activities in respect of each of the Tenements other than E80/5633.
- (iii) The Company has advised that in respect to E80/5633, the Entry Permit and Consent to Mine will be obtained following a deed of variation being entered in to in respect to the Tjamu Agreement to include E80/5633.

A summary of the Entry Permits is outlined in the below table.

Applicable Tenement/s	Date of Permit	Permit Expiry	Applicable Reserve	Notes/Special Conditions
E80/5471, E80/5496, E80/5499 and E80/5573.	17 December 2021 and consent given on 14 January 2022	The earlier of: <ol style="list-style-type: none"> 1. the date the Minister for Aboriginal Affairs revokes the permit. 2. the date the Tjamu Agreement is terminated, in 	24923 (all Tenements) 40783 (E80/5499 only)	Entry Permit extends to the employees and contractors of the holder. The terms and conditions of the Tjamu Agreement must be observed and complied with at all times.

		accordance with its terms.		Entry Permit is conditional upon the Company and Meteoric complying with relevant State and Federal Government directions in relation to COVID-19.
E80/4815	25 June 2015 and consent given on 11 August 2015	The earlier of: 1. the date the Minister for Aboriginal Affairs revokes the permit. 2. the date the Tjamu Agreement is terminated, in accordance with its terms.	24923 40783 (Note that this reserve no longer overlaps the tenement following the surrenders on 5 October 2017 and on 21 March 2019).	Entry Permit extends to the employees and contractors of the permit holder. The terms and conditions of the Tjamu Agreement must be observed and complied with at all times.

- (iv) The Consents to Mine and the Entry Permits are limited to the conduct of exploration activities on the Tenements. If the Company proceeds to mining operations on any tenements that overlap any of the Aboriginal Reserves the Company will need obtain new Consents to Mine and Entry Permits for mining and mining related activities in relation to the relevant Aboriginal Reserves. This will likely require a new agreement be reached with Tjamu in respect of mining activities.
- (v) In respect to E80/5633, and once granted, the Pending Tenements, unless and until the Company obtains the necessary Consents to Mine and Entry Permit, the Company will be unable to access and/or commence exploration activities on the tenement. As summarised at section 8.5 above, it is expected that the Tjamu Agreement will be amended to include E80/5633, and once granted, the Pending Tenements. Under the Tjamu Agreement, Tjamu is required to assist the Company to obtain Entry Permits and Consents to Mine, as required.

10. Material Agreements

10.1 Webb Diamond JVA

The Company is party to the Webb Diamond JVA.

All of the Tenements are subject to the Webb Diamond JVA, which also applies to any other tenements the Management Committee (defined below) decides should be applied for or acquired that are situated within Geoscience Australia 1:250,000 scale topographic map sheets: Webb F5210, Lake Mackay F5211, Stansmore F5206 and Highland Rocks F5207.

On and from the execution date of the Webb Diamond JVA, Meteoric and the Company formed the Webb Diamond Joint Venture, an unincorporated joint venture for the purpose of exploring, and if warranted, mining on the Tenements.

- (a) Earn-in, Dilution and Royalty

- (i) The Webb Diamond JVA gives the Company the right to earn up to a 70% interest in the Tenements by sole funding exploration on the Tenements over two-staged earn-in periods (**Earning Period**), set out below:
 - (A) expending \$300,000 by the second anniversary date of the Webb Diamond JVA to earn a 51% interest in the Tenements; and
 - (B) expending a further \$1,300,000 by the fourth anniversary of the Webb Diamond JVA to earn a 70% interest in the Tenements (**Second Earn-in**).
 - (ii) In respect to E80/4815, the Company completed the Second Earn-in in October 2014 and as a result earned a 70% legal interest in E80/4815.
 - (iii) In respect to each of E80/5471, E80/5496, E80/5499, E80/5573 and E80/5633, the tenements were applied for in their current legal interests (Company, 80% and Meteoric, 20%). Given these Tenements are all wholly located in Geoscience Australia 1:250,000 scale topographic map sheet: Webb F5210, the Tenements automatically fall into the Webb Diamond Joint Venture and the Webb Diamond JVA.
 - (iv) In respect to ELA80/5864, the application was applied for in the interests of the Company at 85% and Meteoric at 15%. Given this Pending Tenement is wholly located in Geoscience Australia 1:250,000 scale topographic map sheet: Webb F5210, the Tenement automatically falls into the Webb Diamond Joint Venture and the Webb Diamond JVA.
 - (v) In respect to ELA80/5956, the application was applied for in the current legal interests of the parties (Company, 86% and Meteoric, 14%). Given this Pending Tenement is wholly located in Geoscience Australia 1:250,000 scale topographic map sheet: Webb F5210, the Tenement automatically falls into the Webb Diamond Joint Venture and the Webb Diamond JVA.
 - (vi) Following the end of the Earning Period, Meteoric and the Company must contribute to future expenditure on a pro-rata basis according to their joint venture interest or have their joint venture interest diluted according to a dilution formula.
 - (vii) If a party's joint venture interest is reduced to less than 5% it will be converted to a 1% gross sales royalty on the total amount received from the sale or transfer of mineral ores, concentrates or other product derived from any commercial mining operations on the Tenements (**Royalty**).
 - (viii) A party must make its election to dilute or contribute within 14 days after approval of a programme and budget by the Management Committee (see below).
 - (ix) The Company has advised that, pursuant to correspondence dated 3 August 2023, the parties acknowledged that Meteoric had elected not to contribute joint venture expenditure for the third and fourth quarters of 2022-2023, and that as of 3 August 2023, Meteoric's joint venture interest in the Tenements was diluted to 14% (. The Company therefore has an 86% joint venture interest (and therefore beneficial interest) in the Tenements.
- (b) Operations and Management of Webb Diamond Joint Venture
- (i) Each of the Company and Meteoric have the right to appoint a representative to the management committee in respect of the Webb Diamond Joint Venture (**Management Committee**).

- (ii) A party's Management Committee representatives will have one vote for each percentage of that party's joint venture interest as at the date of the relevant meeting, and all matters will be decided by majority vote.
 - (iii) The Company is manager of the Webb Diamond Joint Venture (**Manager**) and is entitled to remain Manager while it holds a joint venture interest of 51% or more. It can resign as Manager by giving 60 days' notice to Meteoric.
- (c) Mining
- (i) If the participants undertake a feasibility study that results in an offer of finance, the Management Committee must meet and may vote on a decision to mine. The Management Committee may only make a decision to mine by unanimous vote.
 - (ii) If a decision to mine is made the parties will be bound by the Energy & Resources Law Association (formerly AMPLA Ltd) model mining joint venture agreement to govern the joint exploitation of minerals on the Tenements until an alternative development and mining joint venture agreement is entered into if a party wishes to.
- (d) Other
- (i) Either party may withdraw from the Webb Diamond JVA by giving 30 days' notice to the other party.
 - (ii) The Webb Diamond JVA contains restrictions on the transfer or assignment of the parties' interests in the Tenements, the Webb Diamond JVA and any Royalty, including a right of pre-emption in favour of other parties to the Webb Diamond JVA. There is an exception for assignments to a related body corporate.

11. Royalties

E80/5573 is subject to a 1% gross sales royalty (**McIntyre Royalty**), payable to Jane McIntyre and John McIntyre (**McIntyre**).

E80/5573 was applied for, and subsequently granted over the entirety of the area of late tenement E80/4506 which was surrendered on 19 August 2020 (at the time of its surrender being held by Meteoric at 24%, by the Company at 56%, Jane McIntyre by 10% and John McIntyre by 10% (McIntyre total of 20%)) (**Surrendered Tenement**).

Pursuant to a letter agreement dated 11 July 2020 between McIntyre, the Company and Meteoric, the parties agreed to:

- (a) surrender the Surrendered Tenement in favour of E80/5573 (which was granted jointly in the names of the Company (80% interest) and Meteoric (20% interest));
- (b) incorporate E80/5573 into the Webb Diamond JVA; and
- (c) grant and pay to McIntyre the McIntyre Royalty in respect to E80/5573.

The McIntyre Royalty is not subject to any formal terms, except that:

- (d) the royalty is calculated by reference to the total amount received or deemed to have been received from the sale or transfer of mineral ores, concentrates or other product derived from any commercial mining operations on E80/5573; and

- (e) the royalty is to be paid not more than 7 days after the end of each calendar quarter during which the production of Minerals (as that term is defined in the Mining Act) in commercial quantities from E80/5573 occurs.

12. Definitions

In this Report:

AAPA Act means the *Aboriginal Affairs Planning Authority Act 1972* (WA).

Aboriginal Reserves means Reserves for the Use and Benefit of Aboriginal People.

ACH Act means the *Aboriginal Cultural Heritage Act 2021* (WA).

ACHC means the Aboriginal Cultural Heritage Council established under the ACH Act.

AHA means the *Aboriginal Heritage Act 1972* (WA).

ACHIS Searches has the meaning given in section 2(d).

ALT means the Aboriginal Lands Trust.

ASX means the ASX Limited (ABN 98 008 624 691).

Commonwealth Heritage Act means the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth).

Company means CGN Resources Limited (ACN 122 958 810) (previously known as GeoCrystal Limited).

Consent to Mine has the meaning given in section 9.1(c).

Department or **DMIRS** means the Western Australian Department of Mines, Industry Regulation and Safety.

Determination Area means the area of the Kiwirrkurra People native title determination.

DMIRS Searches has the meaning given in section 2(a).

DPLH means the Department of Planning, Lands and Heritage.

Earning Period has the meaning given in section 10.1(a)(i).

Entry Permit has the meaning given in section 9.1(b).

Explorer has the meaning given in section 8.5(a).

Federal Court means the Federal Court of Australia.

ILUA means an Indigenous Land Use Agreement.

Management Committee has the meaning given in section 10.1(b)(i).

Manager has the meaning given in section 10.1(b)(iii).

McIntyre means Jane McIntyre and John McIntyre.

McIntyre Royalty has the meaning given in section 11.

Meteoric means Meteoric Resources NL (ACN 107 985 651).

Mining Act means the *Mining Act 1978* (WA).

Minister means the Minister under the Mining Act.

Native Title Act means the *Native Title Act 1993* (Cth).

Negotiation Parties has the meaning given in section 7.6.

NNTR means the National Native Title Register.

NNTT means the Australian National Native Title Tribunal.

NNTT Searches has the meaning given in section 2(c).

NTC means a Native Title Claimant.

Pending Tenements means those mining which are yet to be granted as identified as having a status of "Pending" set out in of Schedule 1.

Report means this document, including any schedule or annexure to this document.

RNTC means the Register of Native Title Claims.

Royalty has the meaning given in section 10.1(a)(vii).

Searches means the searches referred to in section 2.

Second Earn-in has the meaning given in section 10.1(a)(i)(B).

Surrendered Tenement has the meaning given in section 11.

Tenements means the tenements set out in Schedule 1, including the Pending Tenements, and Tenement means any one of them.

Tengraph Searches has the meaning given in section 2(b).

Tjamu means the Tjamu Tjamu Aboriginal Corporation RNTBC.

Tjamu Agreement means the Mineral Exploration and Land Access Deed of Agreement between the Company, Meteoric and Tjamu dated 30 January 2019 and as amended by deed of variation dated 9 August 2021.

Webb Diamond JVA means the Farmin and Joint Venture Agreement – Webb Diamond Joint Venture dated 14 September 2012 between the Company and Meteoric (as amended by a letter agreement dated 19 December 2012 (although signed on a later date), a letter agreement dated 31 July 2013, the Deed of Rectification dated 24 March 2014 and the letter agreement dated 29 June 2015).

13. Qualifications and assumptions

13.1 General

This is a high level report covering material legal issues affecting the Tenements and does not purport to cover all possible issues which may affect the Tenements. This Report is given only as to, and based on, circumstances and matters of fact existing and known to us on the date of this Report.

13.2 Assumptions

This Report is based on, and subject to, the following assumptions (in addition to any assumptions expressed elsewhere in this Report):

- (a) any instructions, documents and information given by the Company or any of its officers, agents or representatives are accurate and complete;
- (b) that the registered holder of a Tenement has valid legal title to the Tenement;
- (c) unless apparent from the Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain each Tenement in good standing;
- (d) where a Tenement has been granted, the future act provisions of the Native Title Act have been complied with;
- (e) all information obtained from the Department, the NNTT and any other governmental or regulatory department referred to in this Report is accurate and complete;
- (f) the Company has complied with the terms and conditions of the relevant legislation and any applicable agreements;
- (g) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from the Searches and the information provided to us;
- (h) all facts stated in documents, and responses to requests for further information, and other material on which we have relied in this Report are and continue to be correct, and no relevant matter has been misstated or withheld from us (whether deliberately or inadvertently);
- (i) that there are no other documents or materials other than those which were disclosed to us and which we were instructed to review, which related to the matters examined; and
- (j) the Material Agreements have been duly executed and the copies of the Material Agreements made available to us are accurate, complete and conform to the originals of the Material Agreements and there have been no material breaches of the Material Agreements.

13.3 Qualifications

This Report is subject to the following qualifications:

- (a) there may be native title, Aboriginal heritage or other third party agreements of which we are not aware;
- (b) the information in Schedule 1 and Schedule 2 is accurate as at the date of the relevant Searches. We do not comment on whether any changes have occurred in respect of the Tenements between the date of the Searches and the date of this Report;
- (c) this Report is based only upon the information and materials which are described in this Report. There may be additional information and materials (of which we are unaware) which contradict or qualify that which we have described;

- (d) a recording in the mining tenement register of a person's holding in a mining tenement is not absolute proof of that person's entitlement to the tenement. The mining tenement system is not based on a system of indefeasibility by registration;
- (e) a registered mining tenement holder's entitlement to a tenement can be defective if there were procedural defects in the original grant of a tenement or if there are any subsequent dealings with a tenement. We are unable to confirm whether there are any such defects in the Tenements disclosed in this Report without a detailed review of the register for each Tenement and other matters;
- (f) this Report relates only to the laws of Western Australia and the Commonwealth of Australia in force at the date of this Report and we do not express or imply any opinion as to the laws at any other time or of any other jurisdiction;
- (g) in the performance of our enquiries for this Report, we have acted on the Company's written and oral instructions as to the manner and extent of enquiries to be conducted;
- (h) this Report is strictly limited to the matters it deals with and does not extend by implication or otherwise to any other matter;
- (i) we have relied upon information provided by third parties, including various departments, in response to searches made, or caused to be made, and enquiries by us and have relied upon that information, including the results of Searches, being accurate, current and complete as at the date of its receipt by us;
- (j) references in the Schedules are taken from details shown on the Searches we have obtained from the relevant departments referred to in section 2 above. We have not undertaken independent surveys of the land the subject of the Tenements to verify the accuracy of the Tenement areas or the areas of the relevant native title claims;
- (k) where compliance with the terms and conditions of the Tenements and all applicable provisions of the mining legislation and regulations in Western Australia and all other relevant legislation and regulations, or a possible claim in relation to the Tenements is not disclosed on the face of the searches referred to above, we express no opinion as to such compliance or claim;
- (l) where Ministerial consent is required, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we are not aware of any matters which would cause consent to be refused;
- (m) we have not conducted searches of the Database of Contaminated Sites maintained by the Department of Environment and Conservation;
- (n) native title may exist in the areas covered by the Tenements. Whilst we have conducted searches to ascertain what native title claims, if any, have been lodged in the Federal Court in relation to the areas covered by the Tenements, we have not conducted any research on the likely existence or non-existence of native title rights and interests in respect of those areas. Further the Native Title Act contains no sunset provisions and it is possible that additional native title claims could be made in the future; and
- (o) Aboriginal heritage sites, sacred sites or objects (as defined in the ACH Act or under the Commonwealth Heritage Act) may exist in the areas covered by the Tenements regardless of whether or not that site has been entered on the relevant Register or is the subject of a declaration under the Commonwealth Heritage Act. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites, sacred sites or objects within the area of the Tenements.

13.4 Conclusion

- (a) Hamilton Locke Lawyers has prepared this Report for the purposes of the Prospectus only, and for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent. This Report is issued subject to the qualifications and assumptions in section 13.
- (b) Hamilton Locke will be paid its usual professional fees for the preparation of this Report.

Yours sincerely

Hamilton Locke

Hamilton Locke

Schedule 1– Tenements

Tenement	Registered Holder (%)	Status	Area Applied for	Current Area	Application Date	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Notes
E80/4815	Meteoric Resources NL (30%) CGN Resources Limited (70%)	Live	106 Blocks (Voluntary partial surrender registered on 5 October 2017 in respect to 52 Blocks and Voluntary partial surrender registered on 21 March 2019 in respect to 26 Blocks)	26 Blocks	29 July 2013	7 April 2014	6 April 2024 (The original expiry date of the Tenement was 6 April 2019. On 3 April 2019, an extension of term for an additional 5 year period was lodged. The extension was granted on 6 June 2019 with a new expiry date of 6 April 2024).	Reporting date per Combined Reporting Group is 28 September 2023: \$78,000 (total expended = \$80,000) 2024: \$78,000 (Combined Reporting Group 199/2010, Webb Project)	2024: Paid in full, \$18,486 2025: \$19,422	In accordance with the Webb Diamond JVA and correspondence dated 29 June 2023, the Company has an 86% beneficial interest in the Tenement.
E80/5471	Meteoric Resources NL (20%) CGN Resources	Live	26 Blocks	26 Blocks	6 February 2020	4 September 2020	3 September 2025	Reporting date per Combined Reporting Group is 28 September	2023: Paid in full, \$3,978 2024: \$7,514	In accordance with the Webb Diamond JVA and correspondence dated 29 June 2023, the

Tenement	Registered Holder (%)	Status	Area Applied for	Current Area	Application Date	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Notes
	Limited (80%)							2022: \$26,000 (total expended = \$76,293) 2023: \$26,000 (Combined Reporting Group 199/2010, Webb Project)		Company has an 86% beneficial interest in the Tenement.
E80/5496	Meteoric Resources NL (20%) CGN Resources Limited (80%)	Live	21 Blocks	21 Blocks	4 June 2020	25 May 2021	24 May 2026	Reporting date per Combined Reporting Group is 28 September 2023: \$21,000 (total expended = \$30,532) 2024: \$21,000	2024: Paid in full, \$3,213 2025: \$6,069	In accordance with the Webb Diamond JVA and correspondence dated 29 June 2023, the Company has an 86% beneficial interest in the Tenement.

Tenement	Registered Holder (%)	Status	Area Applied for	Current Area	Application Date	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Notes
								(Combined Reporting Group 199/2010, Webb Project)		
E80/5499	Meteoric Resources NL (20%) CGN Resources Limited (80%)	Live	66 Blocks	66 Blocks	5 June 2020	2 August 2021	1 August 2026	Reporting date per Combined Reporting Group is 28 September 2023: \$66,000 (Form 5 Expenditure Report not yet lodged and is due on 30 September 2023) 2024: \$66,000 (Combined Reporting Group 199/2010,	2024: Paid in full, \$10,626 2023: \$19,074	In accordance with the Webb Diamond JVA and correspondence dated 29 June 2023, the Company has an 86% beneficial interest in the Tenement.

Tenement	Registered Holder (%)	Status	Area Applied for	Current Area	Application Date	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Notes
								Webb Project)		
E80/5573	Meteoric Resources NL (20%) CGN Resources Limited (80%)	Live	41 Blocks	41 Blocks	2 March 2021	4 November 2021	3 November 2026	Reporting date per Combined Reporting Group is 28 September 2022: \$41,000 (total expended = \$47,971) 2023: \$41,000 (Combined Reporting Group 199/2010, Webb Project)	2023: Paid in full, \$6,273 2024: \$6,601	In accordance with the Webb Diamond JVA and correspondence dated 29 June 2023, the Company has an 86% beneficial interest in the Tenement.
E80/5633	Meteoric Resources NL (20%) CGN Resources	Live	70 Blocks	70 Blocks	20 May 2021	25 January 2022	24 January 2027	Reporting date per Combined Reporting Group is 28 September	2024: Paid in full, \$10,710 2025: \$11,270	In accordance with the Webb Diamond JVA and correspondence dated 29 June 2023, the

Tenement	Registered Holder (%)	Status	Area Applied for	Current Area	Application Date	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Notes
	Limited (80%)							2023: \$70,000 (total expenditure \$26,102 - exemption 669459 for the full amount of \$70,000 granted on 3 May 2023) 2024: \$70,000 (Combined Reporting Group 199/2010, Webb Project)		Company has an 86% beneficial interest in the Tenement.
ELA80/5864	Meteoric Resources NL (15%) CGN Resources Limited (85%)	Pending	36 Blocks	N/A	9 November 2022	N/A	N/A	N/A	N/A	This application falls under the Webb Diamond JVA.

Tenement	Registered Holder (%)	Status	Area Applied for	Current Area	Application Date	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Notes
ELA80/5956	Meteoric Resources NL (14%) CGN Resources Limited (86%)	Pending	14 Blocks	N/A	14 August 2023	N/A	N/A	N/A	N/A	This application falls under the Webb Diamond JVA.

Schedule 2 – Tenement Conditions and Endorsements

The notes below refer to particular conditions and endorsements attached to the Tenements and other findings from the DMIRS Searches and Tengraph Searches. It is not an exhaustive list. For all conditions and endorsements attached to the Tenements, a search of the Department register should be consulted. For details of overlapping tenure and other interests, the Tengraph system should be consulted.

1. **Minister Consent to explore on Aboriginal Reserves – E80/5633:** The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Use and Benefit of Aboriginal Inhabitants Reserve 24923.
2. **Consent granted to explore on Aboriginal Reserves:**
 - a) E80/5471, E80/5496, E80/5573 – Consent to explore on Use and Benefits of Aboriginal Inhabitants Reserve 24923 granted subject to Entry on Use & Benefit of Aborigines Reserve 24923 and activities undertaken on the licence by any non-Aboriginal lessee, licensee, employee, contractor or agent being authorised by an entry permit issued under the provisions of the Aboriginal Affairs Planning Authority Act 1972.
 - b) E80/5499 – Consent to explore on Use and Benefit of Aboriginal Inhabitants Reserve 24923 and 40783 granted subject to Entry on Use & Benefit of Aborigines Reserve 40783 and 24923 and activities undertaken on the Licence by any non-Aboriginal lessee, licensee, employee, contractor or agent being authorised by an entry permit issued under the provisions of the Aboriginal Affairs Planning Authority Act 1972.
3. **Water Resource Endorsements:**
 - a) E80/4815 – The Tenement is subject to certain endorsements in respect of water resource management areas, artesian (confined) aquifers and wells, waterways and proclaimed ground water areas.
 - b) E80/5471, E80/5496, E80/5499, E80/5573 and E80/5633 – The Tenements are subject to certain endorsements in respect of water resource management areas and proclaimed ground water areas (Canning-Kimberley).
4. **Land Administration Act – E80/5471, E80/5496, E80/5499, E80/5573 and E80/5633:**
The Licensee's attention is drawn to the provisions of section 55 of the *Land Administration Act 1997* (WA).



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